

Jordan Times

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More BCCI indictments coming — Thornburgh

WASHINGTON (R) — Attorney General Dick Thornburgh said Sunday he expected U.S. authorities to bring more indictments soon in the Bank of Credit and Commerce International (BCCI) scandal. Mr. Thornburgh denied a barrage of charges from both liberals and conservatives that the U.S. Justice Department dragged its feet for years in investigating the bank. "We expect further and more far-reaching indictments soon," Mr. Thornburgh said on CBS Television. He said the indictments would likely involve "monetary and banking violations" but declined to go into further detail. New York District Attorney Robert Morgenthau filed fraud and larceny charges last week against the disgraced bank and two of its owners. The central bank also fined BCCI \$200 million. The fine and the indictments amounted to the strongest actions yet against the bank since it was shut down by authorities around the world on July 5. Mr. Thornburgh denied the Justice Department was lax in investigating BCCI or that it impeded inquiries by others into its finances. "We don't deal in sound bites. We have to present evidence in court," he said.

Kurdish rebels kill 9 Turkish soldiers

DIYARBAKIR, Turkey (R) — Kurdish rebels killed nine Turkish soldiers and kidnapped three others Sunday during a rocket raid on a government station close to the Iraqi border, local officials said. A government-paid village guard and three more soldiers were injured in the attack near the southeastern town of Semdinli, less than 25 kilometres from the rugged frontier with Iraq. A security official in the provincial capital of Diyarbakir confirmed the rebel attack and the killing of nine soldiers. But he declined to comment on the kidnapping of three soldiers. The Kurdistan Workers Party (PKK) has recently stepped up a seven-year campaign for Kurdish independence that has claimed over 3,200 lives. More than 90 people have been killed in PKK attacks in the southeast in recent weeks. PKK guerrillas attack government officials, state workers, policemen and civilians they see as traitors to Kurdish nationalism. In separate incidents Sunday, the semi-official Anatolian news agency said a man was killed in the southeastern town of Kahramanmaraş when his minibus hit a land mine planted on a road. Security forces shot dead a Kurdish rebel trying to enter Turkey from Syria, the agency reported.

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Prince Hassan confers with Sudanese minister

AMMAN (Petra) — His Royal Highness Crown Prince Hassan Sunday received at his office Sudanese Information Minister Abdullah Mohammed Ahmad and discussed with him the current Arab situation and bilateral relations. The meeting was attended by the Sudanese ambassador in Amman.

Jordan denies reports of IMF talks

AMMAN (Petra) — The Finance Ministry Sunday denied the presence in Jordan of a team representing the International Monetary Fund (IMF) or the World Bank to discuss Jordan's economic restructuring programme and said press reports about such a team are groundless. "No such team is present in Jordan and no negotiations have been conducted between the Jordanian government and the IMF about the economic programme," said a spokesman for the Finance Ministry. "All that has been reported about such matter is incorrect," he added. The official said that a team of technicians from the World Bank is currently in Jordan to discuss with government its special policies to encourage industries and to promote Jordanian exports, with particular focus on modern technology used in industrial production.

U.N. steps up food aid to Ethiopia

NAIROBI (R) — The largest privately-owned truck fleet in Africa is moving thousands of tonnes of wheat and other basic foods to famine-hit areas of Ethiopia, U.N. World Food Programme (WFP) officials said here Sunday. The WFP has hired 50 trucks from private transporters in Kenya to boost its road fleet to 350 vehicles. The first convoy of 27 trucks carrying 810 tonnes of wheat left the Kenyan port of Mombasa this weekend for the Ethiopian border. A WFP spokesman said the trucks would reinforce the transport fleet already in place in Ethiopia, which was now stretched beyond its capacity by demands for famine relief.

Egypt, Kuwait appoint head of joint airline

CAIRO (R) — A joint Kuwaiti-Egyptian airline venture has appointed its chief officer, the Middle East News Agency (MENA) Sunday. The shareholders appointed Egyptian Ismail Sharif as president of the board of management and Kuwaiti Ahmad Faisal Al Zubin as vice-president. The Egyptian-Kuwaiti airline company will be capitalised at \$20 million, 51 per cent held by Egypt's national airline Egyptair, and 49 per cent by Kuwait Airways. Mr. Sharif is currently head of the economy section of Egyptair and Mr. Zubin general manager of Kuwait Airways. The company, which will have free zone status in Egypt, will operate cargo charters and freight routes, be based in London, and begin operations before the end of the year, MENA said.

EC says Yugoslav efforts collapsed

BELGRADE (AP) — European Community (EC) efforts to clinch a ceasefire in the strife-torn Yugoslav republic of Croatia have collapsed, the leader of an EC peace mission to the Balkan country said Sunday. "We did not succeed," Dutch Foreign Minister Hans van den Broek told a news conference after a series of meetings with top Yugoslav leaders. "We have to conclude that there is no unanimity and that there is a lack of political will which would allow for a comprehensive ceasefire agreement," he added. Mr. Van den Broek decided to abandon the EC initiative after Serbia and its allies boycotted a joint meeting of the mission and Yugoslav's state presidency in Belgrade. The failure to reach agreement was a blow to Croatia which has been trying to secure EC monitors on its territory where Croatian security forces, the Yugoslav army and Serbian guerrillas have been fighting (see earlier story on page 5).

PLO: Formula will be found for Palestinian attendance in peace talks

PLO chairman vows not to yield on Jerusalem, holds talks with Benjedid ahead of Baker

Combined agency despatches
PALESTINIANS are likely to participate in the Middle East peace conference proposed by the United States and the Soviet Union, a senior adviser to Palestinian Liberation Organisation (PLO) Chairman Yasser Arafat said Sunday.

"I believe that Palestinians will attend this conference," Bassam Abu Sharif told journalists. "I don't believe there will be an obstacle that will prevent the Palestinians from going."

The issue of Palestinian participation has been viewed as the last remaining obstacle in the way of the peace conference planned for October, Israel has said it would attend only if Palestinians from the PLO and from Arab Jerusalem were excluded.

"I believe there's room for a formula that will facilitate the peace process," Mr. Abu Sharif said, without spelling out details.

He spoke shortly after U.S. Secretary of State James Baker arrived in Tunis for talks with President Zine Abidine Ben Ali on the peace process.

Mr. Arafat, meanwhile, left PLO headquarters in Tunis for a visit to Algiers, continuing to shuttle across North Africa a step ahead of Mr. Baker, who is visiting Algiers Monday.

"We are in favour of a just, comprehensive peace, but not if it comes at the expense of the Palestinian people," Mr. Arafat said before heading to talks with President Chadli Benjedid.

"Settlement of the Palestinian question must not contradict international laws," he said.

Mr. Arafat held talks with King Hassan of Morocco last Wednesday and with President Ben Ali Saturday. Both meetings came just before Mr. Baker's visits to those countries.

Mr. Baker, now in Tunis, is due to have talks Monday with President Benjedid and Prime Minister Sidahmed Ghazali.

Mr. Arafat vowed Sunday he would not compromise on the issue of having Palestinian residents from Arab East Jerusalem at the proposed peace conference in October.

"Jerusalem cannot be made the

object of discussions, neither in substance nor in form. We cannot accept conditions from (Israeli Prime Minister Yitzhak) Shamir, neither directly nor from a distance," Mr. Arafat told Reuters in an interview.

"Do you expect me to sell or cede Jerusalem?" Mr. Arafat said. "By God, even if one put the sun to my right and moon to my left, I would not commit that."

Mr. Arafat added: "That Arabs ... Muslims ... Christians accept the Judaisation of Jerusalem, for my part I will not do that, despite threats which have been made against me."

He would not give details of any threats.

Mr. Arafat also said he also wanted a written memorandum on the framework of the conference which the United States plans to provide to others taking part.

Mr. Arafat linked any acceptance of having Palestinians attend in a joint delegation with Jordan to guarantees from Washington and Moscow.

"We want a memorandum of agreement" of the type presented to Israel, Syria, Jordan, Lebanon and Egypt," he said. "We are the central party in the settlement. We demand the application of international legitimacy and the points of the initiative of U.S. President George Bush."

Washington, which ended its official dialogue with the PLO in June 1990 over its failure to condemn a failed raid on Israel by one of its splinter groups, has ignored the organisation during consultations since last March aimed at bringing peace to the Middle East.

Mr. Baker, however, has met Palestinians from the occupied territories — given the go-ahead by the PLO to meet him — eight times in occupied Jerusalem and Washington.

"We have adopted a positive attitude towards them (the Americans). They have not done the same," Mr. Arafat said.

The PLO leader said he had sent his organisation's position to leaders of Arab, Muslim, European and non-aligned countries

and told them of Israel's determination to maintain a right of veto over who should represent the Palestinians.

"We are for a just peace ... but it is the first time in history that a party to a conflict wants to have the right of veto on the composition of its adversary's delegation," he said.

The PLO's third largest faction, the Damascus-based Democratic Front for the Liberation of Palestine (DFLP) issued a statement Sunday saying the U.S. proposals "contradict the requirements for a fair peace."

"The policies followed by some of the Arab ruling circles and some Palestinian leaders, by retreating in front of Washington's pressures and accommodating with its dictates, have weakened the Arab and Palestinian positions ... and contributed in sinking the peace process to the dangerous point it has now reached," the statement said.

"Our people, continuing their brave uprising, reject the American plan," it said. "There is no solution for the Palestinian issue without the effective participation of the Palestinian people's representatives, which is the PLO."

"Today it has become clear that these policies of defeatism have only brought humiliation and will only lead to the elimination of the PLO and its own suicide," the DFLP said.

"The PLO will continue to hold the main key to the door of peace provided it adheres to the clear Palestinian position that there can be no peace, no security without full and balanced settlement of the Palestinian question," the DFLP said.

Mr. Arafat, in an interview Saturday in Tunis with French television, said Israel agreed to participate in the conference only after "blackmailing" the United States into accepting all its conditions.

"If Israel has said yes to the conference, it's because all the conditions which it set have been accepted by the U.S. administration — no to the presence of the PLO, no to an independent

Baker visits Tunis, due in Algiers today

TUNIS (Agencies) — U.S. Secretary of State James Baker left Tunis for Morocco Sunday after a five-and-a-half-hour visit for talks with President Zine Abidine Ben Ali.

Mr. Baker will spend the night in Rabat before travelling to neighbouring Algeria Monday to see President Chadli Benjedid.

Mr. Baker, on his sixth Middle East mission since the end of the Gulf war, hopes to get North African leaders to use their influence with the Palestine Liberation Organisation (PLO) to agree on representation in a peace conference.

Tunis is the headquarters of the PLO but Mr. Baker did not meet the group PLO Chairman Yasser Arafat flew off to Algiers shortly before Mr. Baker's arrival in the Tunisian capital.

Flying here from Morocco earlier, Mr. Baker said he was "obviously very pleased" with the Israeli cabinet vote to attend the proposed peace conference.

"We still have some work to do and we will continue to work on the issue of Palestinian representation," Mr. Baker said as he posed for pictures with President Ben Ali.

"We are very hopeful, of course, that now that Israel is on board through the approval of the cabinet, and Arab states are on board, that the Palestinians will decide that they, too, want to participate in an active and viable peace process," he said.

Mr. Baker has studiously avoided the PLO in lining up Arab states and Israel for negotiations. He said after his meeting with Mr. Ben Ali that he had heard about PLO Chairman Yasser Arafat's comments that Palestinians will attend the conference.

"We think we have here a process that has the potential for leading to a real and comprehensive peace," Mr. Baker said.

Mr. Baker called his talks with Mr. Ben Ali serious and substantive and reaffirmed his belief that Tunisia, Algeria and Morocco should participate in the proposed peace conference.

"We are hopeful that people

'Arafat letter did not contain final word on delegation make-up'

By Nermeen Murad
Jordan Times Staff Reporter

AMMAN — Palestine Liberation Organisation (PLO) Chairman Yasser Arafat's letter delivered on Saturday to His Majesty King Hussein did not contain the PLO's final reply on the make-up of the proposed joint Jordanian-Palestinian delegation to the Middle East peace conference set for October, government sources said Sunday.

"Jordan has already received the PLO's agreement in principle to the proposal for a joint delegation, but Saturday's letter did not contain the names of the Palestinian side nor did it spell out the (organisation's) final word on the conference," one of the sources told the Jordan Times.

The source did not disclose the contents of the letter but said that in it Mr. Arafat "indicated the significance of having an Arab

East Jerusalem team in the joint delegation."

The Jordan News Agency, Petra, reported that Mr. Arafat's letter dealt with Middle East peace efforts but did not give any details.

The sources said that the issue of Palestinian representation is in its "final stages" and that it is expected that a compromise will be struck between the PLO's insistence on the right to choose its representatives and Israel's demands for a veto power over the Palestinian side of the joint delegation.

They did not divulge the nature of the "compromise," but some hinted that the Jordanian offer of an "umbrella" for the Palestinians in the conference may also cover the Arab Jerusalem representation issue.

The sources said that while Jordan is keen to win the PLO's acceptance of an agreement on

next moves towards the conference, the Jordanian leadership adheres to its policy of non-interference in Palestinian affairs and the decision-making process of the PLO.

"The Palestinian decision is still being formulated in Tunis," a source told the Jordan Times.

"We will not know or participate in the drawing up of the list of Palestinian delegates until we receive the PLO's independent decision," the government source said.

The source, however, said Jordan expects the PLO's decision to be positive in spite of the conditions set by Israel.

The sources described as "credible" and "plausible" reports that U.S. President George Bush would meet with Arab representatives from East Jerusalem as a way to get around the issue of

(Continued on page 5)

Israeli cabinet backs Shamir's conditional acceptance of plan

TEL AVIV (Agencies) — The Israeli cabinet Sunday approved Prime Minister Yitzhak Shamir's decision to attend a Middle East peace conference once Israel's conditions on Palestinian representation are met.

The 20-man cabinet voted 16 to three in support of Mr. Shamir at the end of a four-hour meeting, a cabinet communiqué said.

Absorption Minister Yitzhak Peretz did not attend the session but expressed his support, said Health Minister Ehud Olmert.

"I am happy the process is finally over and now we can start the real work, the negotiations," said Interior Minister Arye Deri, the cabinet's strongest advocate of a peace conference.

Minister without Portfolio Rehavam Zeevi, Science Minister Yuval Neeman and Housing Minister Ariel Sharon voted against Mr. Shamir.

Mr. Neeman said his Tehiya Party, which has three members among Mr. Shamir's 66 majority in the 120-seat parliament, would decide Wednesday at what point it would pull out of a government that "is negotiating on territorial concessions."

Mr. Zeevi said he would stay in the government for now, and Mr.

Sharon said he would fight against the peace conference from within the government.

Mr. Sharon, who reportedly got into a shouting argument with Mr. Shamir in the closed door cabinet meeting, said Israel was starting negotiations from "a very dangerous situation" where it would be forced into compromises.

Although little more than a nuisance for now, Mr. Sharon and his fellow right-wingers could give Mr. Shamir, himself a hardliner, a pretext for calling early elections that would delay peace talks in future.

Mr. Shamir, under pressure from Washington and Moscow, agreed Thursday to attend a conference — but only if U.S. Secretary of State James Baker lifts the stumbling block of who is to represent Palestinians.

Israel opposes the participation of residents from Arab East Jerusalem. Mr. Baker was in Tunisia Sunday to enlist help in coaxing Palestinians to form a Jordanian-Palestinian delegation at the peace table.

Some Israelis suggest the appointment of a Jordanian cabinet minister formerly from East Jerusalem might serve as a compromise.

"If a person in the Jordanian delegation, a minister in Jordan's government, will be a member of the delegation, that is a Jordanian matter and not ours," Justice Minister Dan Meridor told Israel Radio before the

cabinet vote.

Israeli newspapers said Friday that by joining Arab states in accepting a U.S.-Soviet-sponsored peace conference, the Jewish state would please both the main powers who campaigned for it.

Health Minister Olmert told reporters after the cabinet vote: "No doubt this is a major move forward and we have to be very careful about it. But I think that the damage that might have been caused to Israel had we answered negatively was much greater than the risk involved."

Asked what were the risks, Mr. Olmert said: "It could have isolated the state of Israel and the government of Israel at a time when there is a genuine expectation among many countries that something will be done in order to advance the chance of meaningful negotiations."

Israel hopes its agreement will make the United States more sympathetic to a request it will make next month for \$10 billion in loan guarantees for housing an influx of Soviet Jewish immigrants.

It also hopes the Soviet Union will soon restore full diplomatic ties severed over the 1967 war.

Two U.S. officials were expected to arrive in Israel this week to continue talks with both Palestinians and Israelis in an effort to work out written documents promised to each side on American positions in the

(Continued on page 5)

OIC conference opens with Ozal call for Islamic CSCE system

ISTANBUL (Agencies) — President Turgut Ozal urged Islamic countries Sunday to take steps to prevent such "lawlessness" as the Iraqi invasion of Kuwait.

Mr. Ozal noted in his opening remarks that the 20th foreign ministers meeting of the Organisation of Islamic Conference (OIC) was taking place in the aftermath of "tragic events which have caused much suffering, distress and damage for many countries."

"I refer to the aggression by Iraq against Kuwait ... we should lay down firm foundations to prevent the recurrence of such lawlessness ever again."

He told the foreign ministers from 45 Islamic countries gathered to debate a crowded agenda including the consequences of the Iraqi invasion, that they could look to a European model for building confidence.

Thanks to the Conference on Security and Cooperation in Europe (CSCE) "countries that nurtured only distrust and misgivings against each other for decades and centuries are now discussing which weapons and military equipment will be destroyed next," Mr. Ozal said.

"I believe that it is possible for the Islamic World to take steps in a similar direction, steps which will need courage and vision," he said. He expressed Turkey's readiness to make its experience available as a participating state in the CSCE system.

Mr. Ozal said he saw economic cooperation as the only true key

to lasting peace and security in the region.

Iraqi Minister of State for Foreign Affairs Mohammad Saeed Al Sahaf is attending the conference to field the criticisms.

The Iraqi delegation tried but failed Saturday to add a call for lifting the U.N. sanctions against Iraq to the conference agenda.

In a written statement, OIC Secretary General Hamid Al Ghabid said he would submit a report to the conference on the organisation's activities regarding the developments after the Gulf war.

He said one of the major political issues before the conference was the Palestine and the Arab-Israeli conflicts, including current Middle East peace efforts.

"OIC has called for an international peace conference on the Middle East to be attended by all concerned parties including the Palestine Liberation Organisation (PLO), the sole legitimate representative of the Palestinian people, on equal footing and the five permanent representatives of the U.N. Security Council," Mr. Ghabid said in the statement.

Among 60 odd subjects on its agenda, the conference will discuss the situation in Afghanistan, the Muslim minorities in the world and the Kashmir dispute between India and Pakistan.

Turkey is backing a bid by the breakaway Turkish republic of northern Cyprus to be a fully fledged member of the OIC. The Turkish Cypriot state, which is recognised only by Turkey, has

been participating in OIC meetings so far as an observer.

The conference has also provided an opportunity for the ministers to meet privately to discuss bilateral and regional alignments.

In one such meeting Saturday, the foreign ministers of Iran, Saudi Arabia, Syria and Turkey discussed a post-war security scheme for the Gulf area.

The conference will also discuss the latest breakthrough towards an Arab-Israeli peace conference.

This initiative is supported by most OIC states, although some including Iran oppose the idea.

Late on Saturday, Egyptian Foreign Minister Amr Musa, playing a central role in arranging the conference, had an hour-long meeting with PLO Foreign Affairs Chief Farouq Kaddoumi.

Mr. Musa was said to have urged the PLO to say "yes" to a U.S.-sponsored peace conference.

Speaking at the opening session on behalf of Asian Muslims, Iran's Foreign Minister Ali Akbar Velayati said the Islamic World must take the opportunity "to reevaluate its position against the downfall of Marxism and in the aftermath of the 'Persian' Gulf crisis."

He added: "The Islamic states may now move to regain their deserved position in the world. The key to progress is unity, peace, understanding and cooperation among member states."



Scenes from Sunday's session of the Lower House of Parliament (photos by Yousef Al 'Allan)

Islamist-dominated House session votes to toughen conditions for foreign investments

By Mariam M. Shahin
Jordan Times Staff Reporter

AMMAN — The Lower House of Parliament Sunday voted to toughen conditions for foreign investments to the Kingdom, arguing that lax conditions for such investments would expose Jordan to dependence on foreign powers.

Three articles of a 1990 draft law on foreign and Arab investments were voted by 29 mostly Muslim Brotherhood and Islamist deputies from among the 57 who attended Sunday's session.

Prime Minister Taher Al Masri told the House that it should reconsider curbing foreign investment. "This country has hardly any natural resources or any industries. How do you expect that Jordan will support itself in and of itself?" Mr. Masri asked the deputies and urged them to reconsider their decision.

The prime minister also

warned them that they should not complain about massive unemployment if local industries should close down as a result of lack of foreign investments.

"Don't talk to us about unemployment if you don't want foreign investment. We cannot create solutions if you block the means to implement them," Mr. Masri told the parliamentarians.

One of the three articles in question — article six — would technically allow a given minister and the cabinet to approve a foreign investment project. The deputies objected to "foreign" investors and said that "Arab" investors could be approved by the Cabinet but that foreign investors should undergo more stringent scrutiny.

"The downfall of the Soviet Union came about as a result of foreign investments in that country," warned Irbid Deputy Hussein Mujalli.

Another article allowing for

the organising and setting up of small businesses and handicraft units by foreigners with the approval of the cabinet and the minister concerned was also voted down.

"This is indirect interference with our organisation of labour. There is no foreign investment involved here, only foreign interference in our local labour organisations," said former Minister of Education and Muslim Brotherhood member Abdullah Alkhalil.

Another article which provided that foreign investors could participate in tenders and carry out projects in Jordan or conduct scientific and technical studies if the investor "transmits to Jordan a convertible amount equivalent to JD 25,000," was also voted down.

"We are not interested in those investments which aim at ruling us in the future," said Muslim Brotherhood Deputy Moham-

mad Abu Faris. "How can we trust that a government that is willing to negotiate with Israel will not bring Israeli investors here to rule us economically?" he contended.

Among those in attendance was the Muslim Brotherhood bloc in its entirety and most of the independent Islamists. All of them voted against the three articles that were open to debate. The House Finance Committee had made recommendations that the three articles be amended or cancelled altogether.

The rest of the articles in the draft law were either endorsed as they were presented or with amendments.

Deputy Leith Shbeilat was accepted as a member of the Public Freedoms and Citizens' Rights Committee to replace Mr. Salim Zoubi. Deputy Daoud Kogak, a member of the committee, was elected rapporteur to succeed Mr. Zoubi.

Britain denies it sent large amounts of uranium to Iraq

LONDON (Agencies) — A government spokesman Sunday denied a newspaper report that Britain shipped large amounts of uranium to Iraq.

The Sunday Times newspaper said that according to customs records, three large consignments, totalling 8.6 tonnes of depleted uranium and other radioactive materials, were exported on Department of Trade and Industry (DTI) licences between 1988 and 1990.

It quoted a former chief in Iraq's nuclear industry as saying the material was used in Baghdad's programme to build a nuclear bomb.

But a DTI spokesman said a small amount of "tiny radioactive isotopes for medical use" were packed for shipment in large amounts of lead and dry ice.

"It is not correct to say that 8.6 tonnes of depleted uranium was shipped to Iraq," the spokesman said.

"The packaging accounts for the weight," he told the Sunday Times.

However the opposition Labour Party said it would demand an explanation from the government. It has already called for an independent public inquiry into allegations that Britain shipped materials suitable for making chemical weapons to Iraq before the Gulf war.

The Sunday Times named its Iraqi source as Hussein Shahrastani, and described him as the exiled former head of the Iraqi Atomic Energy Commission.

He was quoted as saying the British shipments went to the Iraqi nuclear research centre at Tuwaitha, 20 kilometres south of Baghdad.

Iraqi sources in Europe identified Mr. Shahrastani as a senior official of the commission, but not its chief.

They said he was believed to be the Iraqi nuclear scientist of Iranian origin who defected after the Gulf war last February.

Reports at the time said an Iraqi scientist, who was unnamed, fled to Turkey through the Kurdish north. He was said to have provided the United States with vital clues that helped uncover some of Iraq's nuclear secrets.

Chemical weapons

U.N. investigators at an Iraqi chemical weapons factory found that many of the chemicals had been "acquired from abroad," according to a U.N. report quoted in a newspaper.

The Independent on Sunday said the United Nations had de-

cided to alert individual governments privately about the companies involved, leaving them to decide whether to press charges.

The newspaper said the U.N. report was compiled after a five-day inspection in June of the Muthanna plant, capable of making 2.25 tonnes of nerve gas and five tonnes of mustard gas a day.

It said one of the chemicals, thionyl chloride, was mentioned in the list of substances revealed last week to have been exported legally from Britain to Iraq.

On July 27, the Department of Trade and Industry said applications were made to export 26 substances on a list of chemical precursors, which could be used in chemical weapons.

The department granted licences to export six of the substances after in-depth examination by an interdepartmental committee to ensure there was no military use, it said.

The U.N. inspectors confirmed that the thionyl chloride found at Muthanna was used to make mustard gas, the Independent Sunday said.

Under the U.N. Security Council's terms for ending the Gulf war, all of Iraq's chemical, biological and nuclear weapons capabilities, as well as its ballistic missiles, are to be destroyed.

The special U.N. committee charged with insuring destruction of Iraq's deadliest weapons presented a report last week saying the amount of chemical equipment was four to five times the amount that Iraq declared.

Iraq said Saturday that it had cooperated fully with a United Nations chemical weapons inspection team and accused Western media of distorting the team's report.

A Foreign Ministry statement said the media reports were part of a scheme to tarnish Iraq, either to justify another military attack or to continue economic sanctions.

The statement, released by the Iraqi News Agency, said it was true that Iraq had more than four times the chemical weapons and equipment originally declared.

However, that declaration was in April. By mid-May, a month before the chemical inspectors arrived, another list had been submitted with complete disclosure, the report said.

The fourth U.N. nuclear inspection team is in the middle of a two-week visit. The first germ warfare team arrived Friday.

This was the second time in a week that Iraq had accused foreign media of distorting its weapons capabilities.

Hostages' fate linked to fortress prison in S. Lebanon

By Mohammad Salam
The Associated Press

KHIAIM, Lebanon — The fate of the Western hostages is bound to the 300 Shiite Muslims who are imprisoned in an old fort at Khiam, barred by their Israeli-trained Lebanese guards from contact with the outside world.

No simple exchange is possible because such rivals as Christian militiamen, Palestinian refugees, Iranian zealots and the Israeli army are involved.

In the middle of it all sit Shiite Muslim villagers like Abu Sami, himself once a prisoner.

Three years ago, he spent a week in the fort being questioned on suspicion of guerrilla sympathies by militiamen of the South Lebanon Army (SLA), Israel's surrogate in its self-proclaimed "security zone" of South Lebanon.

Most prisoners are Shiite Muslim members of Hizbollah (Party of God), the Iranian-backed fundamentalist guerrilla movement.

Shiite leaders say the 13 missing Westerners — six Americans, four Britons, two Germans and an Italian — will not be freed until the militia frees everyone in Khiam. The South Lebanon Army has offered to trade the prisoners for captured Israelis and its own men.

Only two former prisoners agreed to talk about what one called "that piece of hell," and would not give their full fear of being returned to the fort.

Mr. Abu Sami, 62, said there are nights when he hears screams from the prison, about 500 metres from his house.

He said interrogators choose a prisoner who refuses to give information and torture him in front of everyone else in the prison yard. They tie a naked man to a wooden pole, drench him with cold water, beat him and administer electric shocks, he said.

"They do this at night, when it's quiet, so the prisoner's screams can be heard throughout the prison and the town," he said. "It's their way of telling us, 'this is what awaits you if you do anything against us.' It's a message of terror."

General Antoine Lahd, who commands the 3,000-man militia, would not comment on conditions in the fort. He has refused to allow visits by the International Committee of the Red Cross until the Red Cross are allowed to see his captured militiamen.

Gen. Lahd, a former Lebanese army officer, also barred a reporter from the prison.

"Don't ever try to approach it," he said. "You'll be shot at on sight." Most relatives say they have not been allowed to visit prisoners for more than two years. Zeinab Awadiah said she last saw her nephew in February 1989 after waiting a month for a permit.

"The South Lebanon Army guards confiscated all the food and cigarettes I brought for Ali," she said. "I was allowed in to talk to my nephew for only 10 minutes."

Former inmates said four or five prisoners often are kept in a single three-square-metre cell. They said the prison is guarded by 200 of Gen. Lahd's militia commander by Jean Homsi, a former army captain from Qleiaa, a nearby village.

Officials of the U.N. peacekeeping force in South Lebanon agree with former inmates that the prison is under direct Israeli control.

Amnesty International has accused Israel of supervising interrogations and mistreating prisoners. "Two Shiite Muslim detainees were killed during riots by prisoners," it said in a report last year.

Moshe Fogel, an Israeli army spokesman, said: "The prison is run by the SLA and Gen. Lahd, and anyone who would like to ask questions about how it is run, or would like to visit it, I refer them to the person in charge."

Gen. Lahd says he runs the fort, but former prisoners said Capt. Homsi takes orders from an Israeli, known as Col. Yaki, who conducts the main interrogations with the aid of seven Arabic-speaking Israeli majors and captains.

Nabil, a 42-year-old mathematics teacher, spent 16 months in Khiam for "collaborating with resistance fighters" and was released in May 1987. He belongs to the pro-Moscow Lebanese Communist Party, one of the groups fighting the Israelis.

He and other former inmates said 18 Lebanese working for Israel's secret service, Shin Beth, handle initial interrogations.

New inmates are kept hooded and handcuffed for 10 days while Lebanese interrogators beat them and torture them with electric shocks, Mr. Nabil said.

"In the advanced interrogations, Yaki and the Israelis take over," he said. "Yaki plays the nice guy: Offers you clean clothes, lets you use the toilet, take a bath, have a good meal and a cigarette. But he's a hard bastard, like the others."

Bush jumps into Cyprus and its thicket of problems

By Nick Ledington
The Associated Press

NICOSIA — Divided by war and centuries-old hatreds, this island poses a thicket of problems and complications for peace negotiators and could seriously test U.S. President George Bush's role as an international mediator.

Although Greece and Turkey have agreed to U.N.-sponsored talks, there has been no immediate indication of breakthrough towards reuniting the island and easing its deep-rooted ethnic and religious tensions.

The peace effort announced by Mr. Bush Friday is just the latest bid to tackle the quarrels of the island's rival Greek- and Turkish-speaking populations and rip down the barbed wire of the U.N.-patrolled "green line," which has divided the nation for 17 years.

Turkey invaded Cyprus in 1974 after a coup by extremist Greek Cypriots who sought "enosis" — the Greek term for a political union between Greece and Cyprus.

Turkish forces have since occupied the northern third of the island, including half the capital, Nicosia. About 200,000 Greek Cypriots fled south, and more than 1,500 are unaccounted for. The mostly Muslim Turkish Cypriots, outnumbered nearly 5-1 by Christian Greek Cypriots, claim they were discriminated and alienated by the Greek-dominated government.

In 1983, the Turkish Cypriots proclaimed a republic of northern Cyprus under Rauf Denktaş. Only Turkey has recognised its sovereignty and had demanded international acknowledgement as a prerequisite for negotiations.

The United Nations, which has had peacekeeping forces in Cyprus since 1964, has made several attempts to reunite Cyprus but efforts hit a number of other obstacles, including disarming troops, control of land and political reforms.

Turkey has about 30,000 troops stationed in northern Cyprus.

Greek Cypriots, backed by about 2,500 Greek troops, have been buying arms and beefing up their national guard.

Greek Cypriots insist all Turkish troops must withdraw to comply with Security Council resolutions. Turks say most troops would withdraw in the case of a settlement.

The Turks seek a very loose federation with broad powers for the states, while Greek Cypriots want more power for the central government.

Greeks insist that all refugees should have the right to return to their homes and there should be freedom of travel between the two states. Turkish Cypriots say they do not want to become a minority in their area, but would agree to allow some Greek Cypriots to return.

Meanwhile, Greek Cypriots demand an estimated 50,000 Turkish settlers from the mainland leave northern Cyprus.

The future roles of Greece and Turkey are also potential stumbling blocks.

Turkish Cypriots and Turkey insist Turkey retains the right to intervene again to protect the Turkish Cypriots.

Greek Cypriots have refused to recognise this right — given to Turkey, Greece and Britain as part of the 1960 agreement granting Cyprus independence from Britain.

Apart from issues directly affecting Cyprus, the talks may also be troubled by undercurrents of suspicion and tension between Greece and Turkey, bitter rivals for centuries.

Greece won its independence from the Turkish Ottoman Empire in 1821 after a long struggle. Greeks then invaded Turkey after World War I seeking to carve out a piece of the collapsed Ottoman empire, but were evicted by forces led by Turkish nationalists under Kemal Ataturk.

The two countries are also disputing navigation and fishing rights in the Aegean Sea, and have traded accusations over problems facing immigrants.

Islamic Jihad threatens Palestinians over Baker talks

OCCUPIED GAZA (R) — The fundamentalist Islamic Jihad movement in the Israeli-occupied Gaza Strip has threatened to kill Palestinian leaders who have met U.S. Secretary of State James Baker about Middle East peace talks.

Islamic Jihad (Holy War), in a leaflet obtained by Reuters Sunday, singled out Faisal Al Hussein, leader of the Palestinian delegation that has met Mr. Baker on his six Middle East peace missions since the end of the Gulf war.

"Islamic Jihad condemns the traitors who surrender to solutions and warns anybody from sitting and negotiating, Faisal Hussein and his negotiating team must know that, the leaflet said.

Mr. Hussein, an Arab Jerusalem resident, is widely believed to represent the mainstream Fatah faction of the Palestine Liberation Organisation (PLO) in the occupied West Bank.

There have been fears for his safety for several months both at the hands of radical Palestinians and extreme right-wing Jewish groups. Mr. Hussein is currently

in London and was not available for comment.

Islamic Jihad is the smallest and most radical of the three groups fighting Israeli rule in the West Bank and Gaza Strip. The others are Fatah, and the Hamas Islamic Resistance Movement.

Hamas and the Popular Front for the Liberation of Palestine, another PLO faction, issued statements on July 25 saying that those meeting Mr. Baker did not represent the Palestinian people. But neither organisation threatened the leaders.

The Palestinians have not yet replied to Mr. Baker's call to attend the superpower-sponsored conference in October. They disagree with Israel's condition for attending — that Arab Jerusalem residents be barred from attending.

The Islamic Jihad leaflet carrying the headline: "No to the road of treachery and 1,000 no's to the road of surrender," condemned Washington's efforts to end the 43-year-old Arab-Israeli conflict.

The leaflet concluded by calling for an escalation of the use of knives and bullets in the intifada.

MIDDLE EAST NEWS IN BRIEF

Libya says U.S. warning breaks international law

NICOSIA (R) — Tripoli said Sunday that a U.S. Treasury Department warning to Americans not to do business with 12 companies and 21 named individuals with Libyan connections contravened international law. The U.S. Treasury Department Thursday told Americans they could be fined or jailed if they did business with companies or individuals considered "specially designated nationals." The Libyan news agency IANA quoted the foreign ministry as saying the American warning reflected an unwavering policy of hostility by the U.S. administration towards Libya. The United States, accusing Tripoli of supporting world terrorism, froze Libya's assets and imposed a trade embargo against it January 1986. The companies named in the Treasury included three affiliates of a Houston, Texas, oil firm, JANA, quoted the Foreign Ministry statement as saying. "American allegations, taken as a basis for discriminative measures against Libya, have no true foundation." "Libya will not succumb to American pressures because it believes that these measures are contrary to the international community's aims to achieve economic, educational and social cooperation," Libyan Ambassador to Algeria Abdel Imoula Ghodban accused the United States Saturday of insulting North African countries as the U.S. decision coincided with Secretary of State James Baker's visit to North Africa.

247 deported by Kuwait arrive in Basra

BAGHDAD (R) — A group of 247 Arabs deported by Kuwait arrived in Southern Iraq Saturday, the Iraqi News Agency said. It said there were 40 Iraqis, 80 Jordanians and 119 stateless Arabs, known in Kuwait as bedouins. The agency said Kuwait had now deported more than 2,000 people since the beginning of July. Kuwait has deported hundreds of Iraqis, Palestinians, stateless bedouins and other for allegedly aiding the Iraqis during their seven-month occupation of the emirate.

Two missing airmen found in Baghdad

LONDON (R) — Two junior French air force officers who went missing in Kuwait have been found in Baghdad, the French radio station France Inter reported late Saturday. "A communiqué issued by the French defence ministry in Paris says they were handed over to the representative of the International Committee of the Red Cross in Baghdad," said the radio, monitored by the British Broadcasting Corporation in London. The officers would be returned to Kuwait, where they had been advising the Kuwaiti air force, on Monday, France Inter said. It gave no further details. The French defence ministry named the men Friday as Senior Warrant Officer Jean-Claude Laemle and Warrant Officer Jean-Yves Sanchez and said it had asked Baghdad for information. The men had been missing since Tuesday after driving a private car out of Kuwait City.

Nigerian foreign minister to visit Israel

TEL AVIV (R) — The foreign minister of Nigeria was to begin a two-day visit to Israel Sunday to discuss resumption of ties between the two states, Israel's foreign ministry said. Major-General Ike Nwachukwu is the highest Nigerian official to visit Israel since 1973, when his country cut diplomatic relations with the Jewish state. A foreign ministry statement said Mr. Nwachukwu will discuss restoring ties and the possibility of technical, economic and scientific cooperation. Mr. Nwachukwu will meet Prime Minister Yitzhak Shamir, Foreign Minister David Levy and Agriculture Minister Rafael Eitan. Before the 1973 war Israel cooperated closely with more than 20 African nations but most cut ties after the war. Other African states which have restored relations with Israel are Cameroon, the Central African Republic, Congo, Ethiopia, Ivory Coast, Kenya, Liberia, Togo and Zaire.

Baker visits Tunis, due in Algiers

(Continued from page 1)

everywhere will support this process... because for too long this region has been without peace," Mr. Baker told a news conference before his departure.

"We think it's a real opportunity that ought not to be missed," he added.

Asked if he used his talks with Mr. Ben Ali to send messages to the PLO, Mr. Baker said: "He is not in the business of transmitting messages to me and I'm not in the business of sending messages through him."

Mr. Baker noted that relations between Washington and Tunis were shaky during the Gulf war because of Tunisia's sympathy for Iraq. "The United States would like to see this relationship back on the path to productivity... we would like to put the past behind us," Mr. Baker said.

Mr. Arafat met Saturday with Mr. Ben Ali.

But Mr. Ben Ali said Sunday he did not have a message for Mr. Baker from Mr. Arafat.

Referring to the Palestinians, he said: "We are going to talk about that. We will review the problems of the Middle East, the Palestinian cause, all the problems."

Baker spokeswoman Margaret Tutwiler and other aides have said neither Mr. Baker nor any other U.S. official would talk to the PLO.

In Morocco on Saturday, Mr. Baker urged King Hassan II to help him bring the Palestinians into peace talks. The king offered no commitment and Mr. Baker did not ask for a report on King Hassan's meeting Wednesday with Mr. Arafat.

Americans study maps for peace conference venue

RABAT (R) — With Israel's Copenhagen to attend a Middle East peace conference, the United States has begun to consider in earnest where such an historic event might be held.

Senior U.S. officials are scouring world maps for a location that is diplomatically correct and able to accommodate 11 separate delegations and 3,000 journalists.

The Soviet Union, the conference co-sponsor, does not like Washington because it would boost the U.S. role too much. Other possible U.S. sites are out for the same reason.

The Israelis do not like Cairo, and Paris and London are considered too pro-Arab.

Secretary of State James Baker does not favour Geneva because earlier peace efforts failed there. In fact, the U.S. inclination is to skirt all major cities and even major countries so that national leaders who are not Middle East players do not make the conference more complex by insisting on a role or laying on social events.

A neutral place is being sought. Copenhagen has been mentioned and so have several places in Switzerland.

Aides to Mr. Baker, who believe a 1989 meeting of U.S. and Soviet foreign ministers in the "wild west" state of Wyoming greatly enhanced ties, say putting Arabs and Israelis in a new environment could have a similarly beneficial effect.

Beyond venue, details for the conference could be a nightmare — whose motorcade arrives first? Who sits where at the table?

How long was that Baker shuttle?

Officials and journalists in Mr. Baker's entourage call this the "trip from hell."

If he returns to Washington as expected Monday night, Mr. Baker will have flown 46,000 kilometres over 23 days, spent more than 60 hours airborne and visited 12 countries.

He started on July 14 when he

flew to the London economic summit of the world's richest nations. He then undertook a Middle East peace mission, attended the Association of South-East Asian Nations meeting in Malaysia, searched for rare ibex in the Gohi Desert, joined President George Bush at the Moscow summit and returned to the Middle East.

One of Mr. Baker's bodyguards says he has been away so long he had to ask a colleague: "Are the Republicans still in power?"

A Baker aide teased reporters that she had sent to Washington for absentee ballots — which would be needed if the secretary remained on the road through election day in November 1992.

Flying the real air Jordan

His Majesty King Hussein personally flew Mr. Baker by helicopter from the royal palace in Amman to the nearby airport where the American's jet waited to fly him to Rabat.

Mr. Baker originally was to drive to the airfield by motorcade but switched to helicopter when King Hussein offered to pilot the craft himself.

Quiet celebration

After months of frustration, Israel's decision Thursday to join a peace conference seemed like a time for Mr. Baker to celebrate. But, according to aides, he treated himself to little beyond a massage at the King David Hotel.

Returning to the hotel after Prime Minister Yitzhak Shamir made the announcement, Mr. Baker was applauded by tourists in the lobby. He had a long telephone conversation with President Bush, talked to Israeli Foreign Minister David Levy and ate a dinner of Middle East salad and smoked salmon with aides Margaret Tutwiler, Denis Ross and John Kelly.

Then, Mr. Baker made it an early night. "He was exhausted," one aide said.

JORDAN TIMES DAILY GUIDE AND CALENDAR

Yesterday's high temperatures: Amman 30, Aqaba 40. Humidity readings: Amman 51 per cent, Aqaba 23 per cent.

USEFUL TELEPHONE NUMBERS

NIGHT DUTY

AMMAN:
Dr. Khalid Al Khatib 826919
Dr. Munzer Al Quraini 776258
Dr. Anwar Musa Al Haj 771020
Dr. Mohammad Al Sawwa 732556
Firas pharmacy 661012
Ferdous pharmacy 778236
Al Azema pharmacy 637055
Nawrooz pharmacy 636782
Al Sallat pharmacy 636770
Yacoub pharmacy 644945
Shu'eib pharmacy 637660

EMERGENCIES

Food Control Centre 637111
Civil Defence Department 661111
Rescue 630341
Civil Defence Emergency 199
Rescue Police 192, 621111, 637777
Fire Brigade 812228
Blood Bank 775121
Highway Police 843402
Traffic Police 896390
Public Security Department 830721
Hotel Complaints 605800
Price Complaints 661176
Water and Sewerage 897467
Complaints 787111
Telephone Information (directory assistance) 121
Overseas Calls 010230
Central Amman Telephone 625101
Abdali Telephone Repairs 661101
Jordan Television 771111
Radio Jordan 774111
Water Authority 660100
Electricity Authority 815615
Electric Power

HOSPITALS

AMMAN:
Hussein Medical Centre 813813/32
Khalid Maternity, J. Amn 642816
Akhil Maternity, J. Amn 642412
Jabal Amman Maternity 642360
Mahas, J. Amman 636140
Palestine, Shamsi 661111/26
Shamsi Hospital 669131
University Hospital 843546
Al-Mushtak Hospital 667279
The Islamic, Abdali 666127/37
Al-Ahli, Abdali 666164/6
Ibn Nafis, J. Amman 771101/3
Al-Badr, J. Amman 775112/26
Army, Marka 691611/15
Queen Alia Hospital 602240/50
Amal Hospital 674155
ZARQA:
Zarqa Govt. Hospital (09)983323
Zarqa National Hospital (09)902660
Ibn Sina Hospital (09)985752
USBDs 1130
Princess Basma Hospital (02)275555
Greek Catholic Hospital (02)272275

FOR THE TRAVELLER

QUEEN ALIA INTERNATIONAL AIRPORT
This information is supplied by Royal Jordanian (RJ) information department at the Queen Alia International Airport Tel. (09)53200-5, where it should always be verified.

ARRIVALS

Royal Jordanian (RJ) Flights (Terminal 1)
06:30 New York, Amsterdam (RJ)
07:00 Sana'a (RJ)
07:00 Damascus (RJ)
16:15 Riyadh (RJ)
16:30 Jeddah (RJ)
16:30 Dhahran (RJ)
16:40 Larana (RJ)
16:45 Dubai, Abu Dhabi (RJ)
17:30 Beirut (RJ)
17:35 Bangkok (RJ)

JORDAN TELEVISION	
Tel: 773111-19	
PROGRAMME TWO	
18:00	Les Grandes Batailles du passé
19:00	News in French
19:15	Weekly Sports Magazine
19:30	News in Hebrew
20:00	News in Arabic
20:30	Empty Nest
21:10	Murder she wrote
22:00	News in English
22:20	Young Sherlock Holmes
PRAYER TIMES	
04:21	Fajr
05:48	(Sunrise) Dhuhr
16:23	Dhuhr
19:35	Maghreb
21:02	Isha
CHURCHES	
St. Mary of Nazareth Church Swifeth Tel. 810740	Church of the Annunciation Tel. 637785
Assumption of God Church, Tel. 637785	
St. Joseph Church Tel. 624990	Church of the Annunciation Tel. 637440
De la Sallie Church Tel. 661757	Terranova Church Tel. 622366

WEATHER	
Bullshit supplied by the Department of Meteorology.	

Petra Bank liquidation to get sterner after Aug. 2

By P.V. Vivekanand
Jordan Times Staff Reporter

AMMAN — The process of liquidating Petra Bank takes a new turn after Aug. 20, when an offer to its debtors to settle all their debts with a 25 per cent "discount" runs out.

"We will use all legal means available to us to ensure that all debts are collected in full" after the expiry of the Aug. 20 deadline, said a senior banking official involved in the liquidation process.

"Collaterals and guarantees will be expropriated and no effort will be spared in collecting as much as we could from the debtors with outstanding dues," said the official, who preferred anonymity.

"We have been gracious enough to extend incentives to debtors — which is not a general practice in liquidation processes," he noted. "There will not be any extension of the incentive after Aug. 20," he reaffirmed.

"We have had quite a few people who have taken advantage of the incentive," he added. "We have also executed (appropriated) some of the collaterals and guarantees held by the bank on its loans."

The official declined to give details or any estimate of the actual debts that Petra Bank has to collect. But, he said, "as far as the liquidation committee is concerned, all debts of Petra Bank is public money, and all issues related to the liquidation process will be dealt with along the same lines that apply to public funds."

Under the incentive offer announced in May this year, all debtors who settle in cash all

outstanding principal and interest payments to the bank before Aug. 20 are given an across-the-board write off of 25 per cent of the total amount effective on the day of payment. Those who offer real estate in lieu of cash are given a 15 per cent write-off after the bank's experts evaluate the worth of the property offered.

Banking officials doubt whether the collaterals and material guarantees held by Petra Bank will be close in value to the actual amount of loans extended on them and predict that the liquidation committee, supported by the Central Bank of Jordan (CBJ) and other authorities, will have to look beyond the real estate under mortgage to the bank to collect its debts.

According to an economic expert who is close to the liquidation process, the authorities "will definitely go after those whose collaterals are not enough to cover the outstanding amount."

"The authorities also have the option of sending to jail those who do not pay in full or declaring them bankrupt," noted the expert.

"Insufficient collaterals and imprudent lendings were only one aspect of the chaotic state of affairs of the bank when the government took over Petra Bank in 1988," said an official who served with an interim management of the bank after the takeover.

Embezzlement of public money, violations of Jordanian banking regulations and speculation with the Jordanian dinar were some of the charges levelled against the bank's former management under Ahmad Chalabi. Some of the senior officials and

others involved in the affair are now under trial by a military court. Mr. Chalabi and some of his close confidants have fled the country and the Jordanian authorities have sought help from Interpol to secure their extradition from abroad.

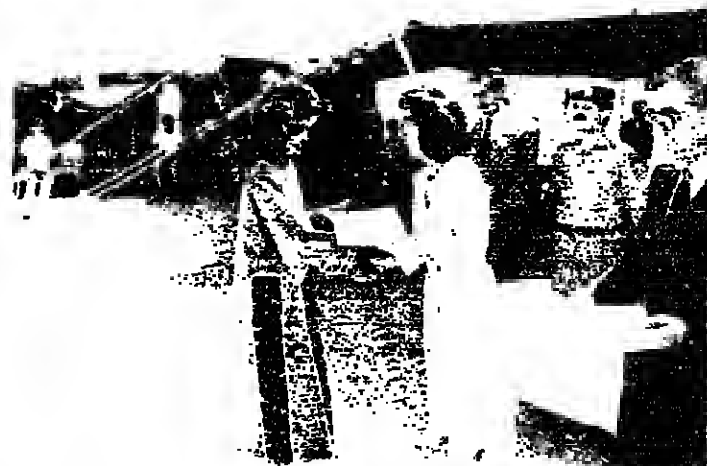
Charges that cannot be brought to a court of law — in view of the absence of related legislation — include "gross mismanagement of funds," "deviations from prudent banking practices" and "unorthodox policies."

The liquidation of Petra Bank, once Jordan's second largest commercial financial institution, was ordered in April last year when it became clear that no amount of financial healing could cure it of its ills.

Most of the former branches of Petra Bank have been sold to various other banks and financial institutions in Jordan. Some of the premises were owned by Petra Bank while others were rented.

The Central Bank of Jordan, which, acting under a mandate from the Economic Security Committee, pumped in over JD 250 million to keep Petra Bank afloat after the take-over, estimates the "unrecoverable losses" incurred to the bank under the Chalabi management at between JD 150 million and JD 200 million.

"Losses could be cut further if the authorities pursue a strict policy of collecting all outstanding debts to Petra Bank with a fine-tooth comb," said one banking expert. "Many Petra Bank debtors are well off and they may resort to legal loopholes not to pay up in full. The authorities have to close all gaps and move in with determination."



Her Royal Highness Princess Basma Sunday presents certificates to 35 graduates from a course on tourism in Madaba (Petra photo)

35 graduate from tourism course

AMMAN (Petra) — Her Royal Highness Princess Basma Sunday attended the graduation of 35 participants in a course of Friends of Tourism organised by Madaba district tourism promotion committee, in cooperation with the social service centres in the district.

Addressing the graduates, Tourism Minister Abdul Karim Al Kabani stressed the importance of public participation in spreading awareness about tourism in the district.

Also addressing the ceremony, which was held at Siqha archaeological site, was Madaba Mayor Mohammad Abu Kaf who

praised the cooperation between voluntary and official sectors. In his capacity as head of the joint services council, Abu Kaf reviewed the activities of social service centres in the district and their role in mobilising and investing local resources.

Director of Madaba Tourism Promotion Office Ghalib Masarweh stressed the importance of such courses in promoting tourism and equipping volunteers with the information they need to reflect on the historic and cultural importance of their country.

At the end of the celebration, Princess Basma presented certificates to the graduates.

VTC to train 14,000

AMMAN (J.T.) — The Vocational Training Corporation (VTC) has opened the door for the registration of men and women wishing to get trained in various trades, especially those needed by the Jordanian society and the local labour market.

A VTC statement said that it has plans to offer training to 14,000 men and women this year. Training would be held at centres in various parts of the country.

In June this year, the government said that the VTC was starting training programmes for the unemployed Jordanians and providing on-the-job-training to workers in the public and private sectors in a bid to meet the needs of the Jordanian labour market.

Various government departments and public institutions have been requested by the government to cooperate with the VTC in its endeavour.

Minister of Labour Karim Al Dughmi said last month that the VTC was utilised to help job-seekers find jobs.

Unemployment, the minister noted, is a national issue and all citizens have the responsibility to help out in solving it.

The VTC announced Saturday that students who had completed

the 10th grade could be accepted at the VTC centres for two-year training courses to become skilled workers.

Apart from the two-year courses, the VTC is going ahead with short-term training courses for job-seekers in the following fields: construction, hotel management, tailoring and dressmaking, textiles, sales, leather industries, driving trucks, bakeries.

Workers in bakeries and brick factories are badly needed in Jordan to take over from the non-Jordanian workers, according to VTC officials.

Minister Dughmi said that the Labour Ministry planned to hold a series of national conferences and seminars to deal with the question of labour and workers in Jordan and with creating new jobs for university and community college graduates in various regions.

Mr. Dughmi said his Ministry would support the creation of income-generating and production projects and would finance such projects after conducting feasibility studies with the help of the newly created development and employment fund in a bid to stem unemployment in the country.

Refinery workers put off strike

By Elia Nasrallah
Jordan Times Staff Reporter

AMMAN — The general union of workers at the Jordan Petroleum Refinery Company (JPRC) took a decision Sunday to suspend a general strike they had planned for Aug. 5 pending the outcome of a government-appointed panel's examination of the labour dispute between the JPRC workers and the management.

The announcement was made known to the Jordan Times shortly after the conclusion of a meeting, chaired by the federation's Secretary General Abdul Halim Khaddam, held at the Federation of Jordanian Labour Unions (FJU).

Mr. Khaddam told the Jordan Times that the JPRC workers' executive board had decided to respond favourably to the federation's appeal to call off the strike and wait for the decisions of the Ministry of Labour's appointed panel. The panel will start work Tuesday to try to settle the dispute.

Mr. Khaddam said that the federation supported the JPRC workers' just demands for better pay and working condi-

tions, but cautioned the workers to put off the strike until further notice.

The government Saturday announced the creation of a panel, chaired by Dr. Bashir Al Zoubi from the University of Jordan, to examine the dispute and to issue a ruling that would help settle the dispute.

The strike, which would have started Monday, was to back the union's demands for a raise of JD 20 a month, an increase from 10 to 15 per cent in the rate of monthly savings, and an increase in the margin of health insurance benefits for workers.

According to union sources, negotiations with the management have been going on and off for about two months, to no avail, before the Aug. 5 deadline was fixed for the beginning of the strike.

According to Mr. Khaddam, the appointment of the panel to deal with the dispute was in accordance with Article 104 of the Jordanian Labour Law which also bans any strike as long as the panel is dealing with the crisis.

JPRC General Manager Saad Al Tal was quoted by the

local press as saying that dialogue with the workers is still going on even after creation of the Ministry of Labour's panel Saturday.

Mr. Khaddam said that were signs that the JPRC management was softening its stand and that he believed the union and the management would reach a satisfactory arrangement that would avert a strike and satisfy the workers' demands.

Union sources said that workers had opted for a strike only to press their demands better pay in view of the fact that they carry out very difficult tasks under difficult circumstances.

In the union's view, workers were paid low wages as a time when senior company officials, receive high salaries. The union considers that wages are not enough to cope with the soaring cost of living in Jordan.

According to Mr. Khaddam, the union, the federation, the Ministry of Labour will be represented in the panel meetings which would review the dispute and try to reach an acceptable arrangement.

'Health for all' linked with protection of environment

AMMAN (J.T.) — A target set by the World Health Organisation (WHO) to ensure health for all by the end of the present century can be met by means that are not only people take the essential measures to protect their environment and prevent waste from causing pollution, said Health Minister Mamdouh Al Abbadi Sunday.

Protecting the environment from pollution requires recruiting and training technicians and skilled personnel in all sectors and calls for close cooperation on the part of the municipal and rural councils which should be backed with sufficient funds and expertise for this task, the minister said at the opening of a United Nations-sponsored meeting which opened in Amman.

Among the various working papers to be reviewed by participants from 12 countries is a Jordanian paper outlining the Kingdom's handling of solid waste.

The five-day meeting, to discuss solid waste management, is attended by Arab states in the Eastern Mediterranean region together with delegates from Pakistan, Iran and Cyprus, according to WHO's regional Centre for Environmental Health Activities (CEHA) office in Amman.

"Jordan has mastered sufficient expertise to deal with the

question of managing solid waste, but it lacks sufficient funds to carry out the task," the minister told the opening session.

Stressing the importance of combating dangers resulting from the presence of solid waste within the environment, the minister said that any type of pollution to the environment was becoming more and more a source of threat to societies as "an unhealthy atmosphere is damaging to health and detrimental to man's future."

Governments and international and regional organisations bear a serious responsibility towards finding effective measures to control the contamination of the environment, said the minister.

Neglecting sound measures of disposing of solid waste within the Eastern Mediterranean region constitutes a grave danger to human health and this neglect is largely due to the rising cost of

treating such waste, according to Dr. Hussein Jazairi, WHO's regional director.

In a message read on his behalf, Dr. Jazairi said that management of waste is exhausting 40 per cent of municipalities budgets in the region.

He said municipalities in that region spend up to 80 per cent of their budgets on collecting and storing solid materials.

Dr. Jazairi said that the symposium would focus attention on management of solid waste on orienting the public on proper and effective means of overcoming problems related to the management of waste in order to the harm to public health.

He reviewed WHO's activities and programmes designed to protect countries of the region over problems pertaining to environmental pollution.

Symposium studies small industries

AMMAN (Petra) — A symposium on investments in small industrial projects and their role in promoting the national economy continued its works Sunday.

Director General of the Vocational Training Corporation (VTC) Ahmad Atwan presented a working paper on cooperation between the VTC and industrial establishments in the field of training employees and workers. He pointed out the general framework of the VTC work in providing vocational training and holding rehabilitation courses for workers in industrial projects.

He stressed the importance of establishing an industrial consultancy training unit to develop the working force capabilities and enhance industrial and agricultural

production.

Samir Omesh, of the Ministry of Industry and Trade, reviewed in a paper he presented at the symposium the characteristics of small industries. The small industries, he said, need limited financing and are used to achieve coordination and cohesion between other industries.

Othman Zeid Al Kilani reviewed in his paper the production process stages which include the rational use of the workforce, technical and financial supply and market analysis.

He proposed launching initiatives to develop productivity in industrial establishments and setting up a unit whose main task would be development at factories.

Salwa Al Masri, of Noor Al Hussein Foundation, dealt in her paper with the role of the small industrial projects in providing job opportunities. She stressed the need for incorporating women in the development process after training and rehabilitating them in certain agricultural fields.

Another paper was presented by Issam Bdeir who outlined the situation of the small industries and their role in providing job vacancies.

The seminar then discussed a working paper presented by Hussein Al Khatib, from the Development and Employment Fund. The paper dealt with the characteristic features of industrial projects and the need to adjust and modify the national industrial policies.

The symposium, which was opened Saturday, is organised by the Jordanian Engineers Association in cooperation with the Industrial Development Bank.

Jordanian youth camp in Ajloun starts activities

AMMAN (Petra) — Youth Minister Saleh Ershadat Sunday opened the 5th national Jordanian youth gathering, held at Al Hussein Youth Camp in Ajloun.

Addressing the gathering, Mr. Ershadat conveyed to participants the greetings and best wishes of His Royal Highness Crown Prince Hassan.

He said that participants at the gathering, who came from 25 Arab and non-Arab countries, were the ambassadors of Jordan abroad.

He said that Jordanian youth working or living abroad, have to work on two fronts: learning from the experience of the countries where they live and work and relaying information on Jordan.

The minister said: "You must have noticed the progress, prosperity and political changes your country has undergone, including the return of democracy, which is considered a great victory of your country."

The minister added that demo-

cracy was a qualitative leap in the political, cultural, social and intellectual domains.

He also said that Jordan had adopted the principles and thoughts of the Great Arab Revolt, which advocated Arab unity, freedom and decent life.

"Such principles cannot be achieved except through democracy, constructive dialogue and respect of law," the minister said.

Taking part in the gathering are 120 Jordanian youths from both inside and outside Jordan. The gathering is aimed at forging stronger ties of friendship and cooperation between Jordanian youth inside and outside Jordan, orienting Jordanian youth abroad on the achievements Jordan has made during their absence and giving them first hand information on the educational, scientific and cultural institutions in their country.

The gathering also aims at enabling the youth to perform voluntary work in their home country.

SSC to settle work injuries claims

AMMAN (Petra) — The Social Security Corporation (SSC) Sunday said it would settle all claims for work injuries amounting to less than JD 500 through its branches in Amman, Sahab, Zarqa, Karkab, Irbid and Aqaba, without referring them to the SSC headquarters.

The SSC also said it would settle work injuries claims amounting to more than JD 500, but less than JD 2,000, from the above branches after clearing them at the claim settlement committee.

SSC sources said that injury entitlements are usually made up of costs of treatment.

A worker or employee gets 75 per cent of the daily wage when he is under treatment at home, and 65 per cent of his wages for the days he spends in hospital.

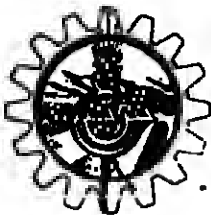
The entitlements also include the costs a worker incurs as a result of visiting doctors, hospitals, and clinics, including transport fees.

The SSC covers costs of treatment in full and pays full wages during the treatment period.

WHAT'S GOING ON

EXHIBITION

* Exhibition of paintings and ceramics by Iraqi Artists Ibrahim Rashid and Maha Abdul Karim at Alia Art Gallery insurance building, 1st floor.



السلطنة الهاشمية

Hashemite Kingdom of Jordan Potash Production Expansion Project No. 30-4857 (APC-25/90) Advertisement for major equipment supply

The Arab Potash Company Limited (A.P.C.) of Amman, Jordan plans to expand production capacity by 400,000 tonnes per year. The facilities will be located on a site adjoining the existing refinery near Safi, on the southern end of the Dead Sea, about 200km north of the port of Aqaba.

A.P.C. has applied for financing to the World Bank. The proceeds of the loan will be applied to payments for the supply of the required equipment in accordance with the guidelines of the World Bank.

Purchases will be made from the member countries of the World Bank and Switzerland.

The Arab Potash Company invites suppliers, interested in tendering for any of the following equipment, to apply for tender documents to A.P.C. or Jacobs at the address shown below. The cost for each tender package shall be U.S.\$40 — non refundable.

1. Product screens
2. Carnallite bin discharger
3. Product elevator
4. Belt conveyors
5. Drag conveyor
6. Screw conveyors
7. Product crusher

1. Mr. Issa Gammoh,
Projects Manager,
The Arab Potash Co. Ltd.,
P.O. Box 1470
Amman — Jordan

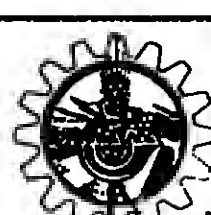
Fax No.: 962-3-377125/Site.
Fax No.: 962-6-674416/Amman H.O.
Telex No. 21683 Potash Jo.
Tel No.: 666165/6 - Amman
665116 or 03-377121 - Site

2. Mr. M. Hodgins,
Jacobs International Inc.,
Merrion House,
Merrion Road,
Dublin 4, — Ireland

Fax No.: 353-1-2695497
Telex No.: 30295 JCBS-EI
Tel. No.: 353-1-2695666

Tender documents will be available to suppliers on and from August 5, 1991. The closing date for submitting of tenders will be 12:00 noon September 21, 1991.

A.Y. Ensour,
Managing Director,
The Arab Potash Co., Ltd.,



السلطنة الهاشمية

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1. Slurry Pumps
2. Liquor Pumps
3. Sump Pumps
4. Gear Pumps

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Tender documents will be available to suppliers on and from July 10, 1991. The closing date for submitting of tenders will be 12:00 noon August 31, 1991.

NOTE: Closing date for submission of tenders has been extended from August 14, 1991 to August 31, 1991.

A.Y. Ensour,
Managing Director,
The Arab Potash Co., Ltd.,

Jordan Times

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Can't rest on laurels

BETWEEN YITZHAK Shamir's initial rejection of the proposal for a Middle East peace conference and his conditional "yes" to attending the parley lies a world of diplomacy, political intrigue and fateful ideas. While historians will have a lot to explore about the dynamics of this world and how they interacted to produce the phase we are in now, enough can be said already about how Shamir might have changed his thinking.

His initial rejection of the conference's idea was a ploy to get the Arabs to agree to it. That is one major possibility.

Naturally, there are more possibilities. Shamir could not say no to the joint call by the U.S. and Soviet presidents for a conference in October. The first would have reacted by withholding \$10 billion in loan grants to Israel (due to come up for consideration in September), mainly to settle new Soviet immigrants, and the latter could have stopped all or at least most of those immigrants from coming.

By saying yes, Shamir might have calculated, the Arab World would sit down with the Israelis, thus finally legitimising their existence. He of course did not have to give up any inch of the occupied territories during negotiations, and he could torpedo the conference anytime after the "moral recognition" of Israel had been effectively extended. Shamir knew President George Bush and his Secretary of State James Baker did not like him. The president was going to be reelected with or without Jewish support and money. The Israeli government therefore had better not further antagonise the president and his administration by rejecting their proposal.

The Middle East, in the post-cold war era and the aftermath of the Gulf war, had become different. Israel was no longer the indispensable American ally cherished as the bastion of democracy and the castle against Communist-backed neighbours. The Israelis, in this new context, had to face the prospect of standing alone without the indefinite American backing which it had been used to in dominating its Arab neighbours militarily.

In the event that Shamir wanted peace based on a settlement, and not a solution to the Palestinian problem and the wider Arab-Israeli conflict, he could boast that in the end the Americans came to him proverbially carrying Hafez Al Assad's head on a silver platter and totally excluding his arch enemies Yasser Arafat and the PLO from the whole process of "peace" making. Whether the effort succeeded was besides the point for the prime minister. What he had done unto the Syrians and the Palestinians would have been enough cause for jubilation for him and his fellow Likudniks.

These are some of the possible reasons explaining Shamir's volte-face on the issue of the peace conference that we have to ponder and think about as we move nearer to October. To assume that Shamir & Co. have given up their ambition of realising the totality of the Zionist dream and their vow to achieve "Eretz Israel" just because they said yes to the conference means that our calculations will always be lacking in form and substance. Our hope is that the Israelis do want peace based on mutual rights and justice. But we cannot possibly hope and rest on our laurels.

ARABIC PRESS COMMENTARIES

AL RA'I Arabic daily Suuday discussed coordination among Arab states with regard to the coming peace conference and said that Palestine President Yasser Arafat's message to King Hussein Saturday was part of the ongoing Jordanian drive to achieve that coordination. The paper said that Palestinian-Jordanian coordination should only serve as part of an overall Arab coordination which, the paper said, is of paramount importance at this significant juncture in Arab history in preparation for the coming stage which would involve negotiations over the future of Palestine and the whole region. The paper warned Arab parties to the Middle East conflict against further delaying the badly needed coordination and against Israel's attempts to deal with the Middle East problem piece-meal, a move that could help the Zionists achieve their goals. There is need to warn every Arab state against accepting anything less than the implementation of U.N. Security Council resolutions 242 and 338 and the exchange of land for peace in the course of the coming negotiations between the Arabs and Israel, the paper said. Assessing the fast moving events and analysing the situation should be made as promptly as possible by the Arab state involved in the conflict, the paper stressed. It said unless such coordination takes place immediately, it could be too late to confront the coming stage and the Arabs could be facing more difficulties in the times ahead.

Tackling the same topic, Al Dustour daily said that Jordan is currently exercising all its faculties and exerting all its efforts for the sake of bringing about a joint Arab stand that would foil Israel's attempts to deal with the Middle East problem in a manner that suits its desires. The paper said that for the sake of achieving this purpose the Kingdom has offered an umbrella for the Jordanian-Palestinian delegation to the coming peace talks, and is ready to join hands with the other Arab states to reach a just and honourable solution. Amman has offered the umbrella bid when it looked as if the Palestinian representation was standing in the way of the peace conference that had been sought by all Arab parties to the conflict, the paper noted. Jordan, the paper said, realises the serious and delicate situation at this stage and is determined to foil Israel's attempts of further delaying the peace conference which would ensure the return of the Palestinian people's rights and an end of occupation, the paper added. The paper said it is hoped the United States which is now sponsoring the peace process would not allow Israel's obstinacy to stand in the way of achieving a lasting peace in the region.

The persecution of Israel's Druze — a matter of principle

By Israel Shahak

THE most important feature of the apartheid system of Israel is that it is applied differently to different non-Jewish communities, which are in turn officially defined by the state. It is described by Ran Kiesel in Ha'aretz as follows: "Among the persons and institutions dealing with Israeli Arabs there exists an explicit scale laid down by the authorities according to which different groups in this sector are treated. The Druze are at the top, being more equal than others. The Bedouin come next, albeit much further down the scale, and are followed by the Christian Arabs. The other Muslim Arabs are at the very bottom."

Attention in Israel is currently focused on the Druze, the highest group in the official "pecking order". The reason for the present focus is quite symptomatic, having to do with "security". Much as the religious segment of Jewish public opinion may take the existence of discrimination for granted, the secular segment seeks to justify it on the grounds that, since the majority of the Israeli Arabs do not serve in the army, they should not have the same rights which Jews have. But besides, the Arabs are officially considered disloyal, which explains their enforced exemption from army service in the first place. This means that the state of Israel from its inception has determined, with the help of its "experts", the communal

loyalty of each non-Jewish population. By such criteria, populations have been granted rights, sometimes more generous, sometimes less, but never the full rights which accrue only to the Jews.

"Alliance forged in blood"

Of course, both these explanations for discrimination are patently false. In the first place, a population cannot be collectively responsible for anything; traditionally it was the anti-semites who attributed collective responsibility to the Jews. And in the second place, some Jews also do not serve in the army on the grounds of health, religion or because they immigrated to Israel when too old to serve; they still get all their civil rights. Moreover, the Druze do serve in the army, and large numbers of them are recruited into the police and the prison service. And yet they are discriminated against. In the army, only recently were they allowed to advance to the rank of colonel, but, by an administrative ruling, no higher than that. And they also face discrimination in all the branches of the "security system" in which they serve. As pointed out by Mr. Kiesel, "the Druze have legitimate claims against the authorities. Once a year, just prior to independence day, government officials visit them and speak about the 'alliance forged in blood' between the Jews and the Druze and about their 'common fate'."

A government resolution was passed some years ago "to put Druze villages on an equal footing with Jewish development towns", but it appears that this resolution (like the majority of resolutions concerning the Arab sector) exists on paper only. According to a government bill, the process of bringing conditions in Druze villages up to the level of Jewish towns should have taken five years. Now that four of the allotted five years have elapsed, what has become all too obvious is not the municipal equality that ought to exist between Druze villages and neighbouring Jewish towns, but the similarity between conditions in Druze villages and those in other Arab communities: the same dearth of development funds, the same dilapidated infrastructure, the same sewage running down the streets. When the Druze demonstrated in front of the prime minister's office, they got treated, in Mr. Kiesel's words "more or less the same as other Arab protesters: with tear gas".

Yet, since the Druze community is tiny, money which they ask for amounts, in Mr. Kiesel's words, "to no more than pocket money in relation to the overall budget". Since it is still not granted, Mr. Kiesel expresses his suspicions gently, by deeming it "inconceivable that someone in the government is deliberately making life difficult for the Druze, bringing the entire community, renowned for its loyalty to Israel, to the point of rebellion".

Protests in the Druze community have traditionally been led by retired officers who had served in the army for up to 30 years, often as deputy district governors (they cannot become governors) in the territories, to find on their retirement that in addition to being denied the right to farm state-owned land in the vicinity of their villages, they may also still be regarded as "security risks". Protests have been going on for several years without any tangible effect. Since about 1985, the Hebrew press has described some really bizarre cases, like the Druze denied the right to work in munitions factories after guarding the same factories during their reserve duty, or of other Druze fired from their long-held jobs, ostensibly for "security reasons", but really in order to make way for immigrants from the USSR.

In truth, the case of the Druze (and of other even smaller minorities, such as the Circassians, who are to the same position) shows that discrimination against all non-Jews is in the Jewish state a matter of principle: it has nothing to do with "security". For if the Druze are granted real equality, the whole character of Israel as a "Jewish state" is bound to be affected. To maintain its official "Jewishness", the Druze must be denied equal rights.

The question of identity

This is most clearly illustrated by the case of those Druze who refuse to accept the official Israeli definition of themselves and claim to be Muslim Arabs, which they are.

For example, Communist MK Nafab, a Druze, has been imprisoned twice for refusing to serve in the army. Mr. Nafab claims that since the Druze are Arabs and because the Israeli army does not force Arabs to do military service, he also demands to be exempted from service. Yaron London, writing in Yediot Aharonot in April, explicitly compares Nafab's legal situation to the situation of Israelis who Jewish identity is also defined in law:

"In reality, not only is Nafab right, but his complaint hits the soft underbelly of Israeli identity. The Israeli conception prevents somebody who is not a Jew from being a full citizen of his state and prevents Israeli citizens from deciding themselves their religious affiliation. A person of Jewish nationality is, in our opinion, an individual who is a Jew by religious definition. He will remain one even if he has no connection whatsoever with religion, even if he crucifies himself, fasts on Ramadan or worships a God of Fire. Because only the Jews in Israel are real citizens, it is necessary to sort out all inhabitants by religious standards. This is the only way for us to know who is entitled and who is not entitled to enjoy the rights of the ruling Jewish majority. For their own political reasons, the Jews of Israel wanted to grant the Druze some of the rights they took for themselves. Consequently, it was necessary to determine who is a Druze. How did we determine it? We imposed on the Druze our con-

ception regarding the essence of the connection between religion and nationality and we have forbidden a person who was born Druze to decide himself what the significance of his being Druze is. By his refusal to serve in the army, Nafab tells us that he is not prepared to subject his identity to the definition imposed on it by the authorities. He demands the right of every individual to determine his own cultural identity."

This right, which the Jews demand for themselves every where except Israel, is denied in Israel to everybody. Jews deny it to themselves because they deny it to others.

As many wise people have observed, one cannot deny freedom to others without also denying it to oneself. Yaron London correctly observes that the most important Israeli need is the need to establish a state that is not an "armed Jewish ghetto". One may safely agree with him, adding that so long as "an armed Jewish ghetto" exists, peace is impossible. One may obtain a ceasefire, which is definitely better than war, but real peace will only come when the nature of the state of Israel is transformed, when the Jews accept that what they demand for themselves should also be given to non-Jews. Among the diplomatic gloom, one of the few signs of hope is that some of the more thoughtful Israeli Jews have begun to understand this crucial principle and to discuss it. Middle East Editor, national London.

Palestinian mayor optimistic over peace conference

By Berta Gomez

WASHINGTON — The Palestinian mayor of Bethlehem reiterated his conviction August 2 that Palestinians would agree to the terms set forth by Secretary of State James Baker for a U.S. and Soviet sponsored Middle East peace conference this October.

Addressing reporters at the National Press Club, Mayor Elias Freij strongly suggested that the issue of who would represent the Palestinians at the conference has been resolved. "I really cannot elaborate on that, but I think it has already been settled," he said.

Mr. Freij confirmed that he supports the idea of sending a joint Jordanian-Palestinian delegation to the peace talks, "because our problems are one, are common, and cannot be separated."

The mayor also expressed deep appreciation for the peacemaking efforts of Secretary of State Baker, who was

carrying out his sixth visit to the region. Mr. Baker "has built real confidence amongst the Palestinian Arabs who meet with him and talk to him," Mr. Freij said.

Although he acknowledged that numerous details must be resolved before the conference can actually take place, Mr. Freij said the fact that all parties to the Arab-Israeli conflict have "accepted the principle of meeting together to start the peace dialogue," is significant.

"Once the parties are put into a room to begin a dialogue, a new momentum will be created, a new strength will be created, a new atmosphere will be created. As long as we keep apart and aloof, not talking to each other, we will achieve nothing," Mr. Freij declared.

He strongly criticised Israel's declared refusal to negotiate with any delegation that includes Palestinians from East Jerusalem. "The Israelis say

they want negotiations without preconditions — so why do they set up conditions," Mr. Freij asked. "It is up to the Palestinian people and the Palestinian leadership to choose our own representatives in the negotiations with Israel. This is our right to do so."

Mayor Freij also insisted that the fate of East Jerusalem must be open to negotiation. "I must point out," he said, "that East Jerusalem is considered by us, the Palestinians, as part and parcel of the occupied West Bank."

East Jerusalem was annexed by the Israelis after the 1967 war; the government of Prime Minister Yitzhak Shamir has repeatedly declared that its status is non-negotiable.

Mr. Freij did not say how he hoped the future of Jerusalem would be decided, but he rejected the possibility of international status, which he described as "dead," and also

discarded a possible re-division of the city. "I believe the status of all of Jerusalem has to be negotiated," he said.

Asked by reporters if he envisioned Jerusalem as the capital of a future Palestinian state, Mr. Freij responded that "it has to be our centre of administration, or capital ...". But he added that "we should not prejudge and make statements to block the peace process. I want the future of Jerusalem ... Bethlehem, and Nazareth, and every other town to be negotiated."

He made clear that any real peace with Israel must involve the return of occupied territory. "If we are not going to get back our land, there will be no peace," he declared.

He was particularly critical of the growing number of Israeli settlements on the occupied West Bank, saying, "I consider all Jewish settlements in the occupied territories illegal."

Referring to the \$10.000 million in loan guarantees that Israel will request from the United States to help assimilate Soviet Jewish immigrants, Mr. Freij suggested that Washington prohibit the use of that money for new settlements on occupied land. "But to give them the grant ... then what incentive is left for Israel to withdraw or give up the occupied territories," he asked.

Mr. Freij said his vision of a real Arab-Israeli peace would involve the creation of a system in which "the Jordanians and the Palestinians and the Israelis can very closely work together economically, politically, in scientific (areas), in health, in every sphere of life."

He rejected claims of "security problems" on the part of states such as Israel and Syria by suggesting that "all security problems ... can be eradicated" through the establishment of a comprehensive



Elias Freij

Middle East common market. "When it becomes possible for an Israeli to travel to anywhere in the Arab World, or any Arab to come to Israel, to come and travel with respect, with freedom; and for the Israelis to go to Arab countries and be respected and to be free and to be welcome, I think all the hatred will be eradicated, all fear will disappear and the question of security really will be just something of the past," he said — U.S. Information Agency.

Against the tide in Saudi Arabia

By Robert Ruby

DHAHRAN — She can be called Mageeda. All she wanted was to go to the amusement park in nearby Dammam with her husband and their children, just as the family used to do.

Now the trip poses problems. On some days, King Fahd Park admits children and their fathers; on other days, only children and their mothers. But never mothers and fathers at the same time — for fear that a man riding the roller coaster or the Ferris wheel might get a long look at a woman other than his wife.

The family gave up going to the park. "Everything is going backwards," said Mageeda, a Saudi woman whose husband is an executive at Saudi Aramco, the national oil company. "This time the religious have gone totally berserk. After the ceasefire, they became wild."

Maybe not wild, but definitely more assertive. For many of Saudi Arabia's liberals, the ceasefire with Iraq and the gradual withdrawal of U.S. troops have brought an unwelcome return to the almost normal — including the familiar tensions between liberals and ultraconservative Islamic religious authorities.

King Fahd and his government, composed almost entirely of members of the extended royal family, are often caught in the middle, nervous about offending either side.

The government's greatest fear is of being accused by one side of being insufficiently Islamic or by the other of being too slow to accept change. In a country where consensus is sought at almost any price, criticism from either side is perceived as a dangerous challenge to the legitimacy of the

regime. Iraq's invasion of Kuwait, military threats to the kingdom, the arrival of U.S. forces and the war itself focused extraordinary attention on the kingdom and generated a few liberties. But now that attention has been withdrawn, Saudi Arabia is returning to its old habits.

Contact with things American once again is limited largely to driving American-made cars and eating fast food. Television and newspaper avoid even a passing reference to the 20,000 U.S. troops remaining in the kingdom. Except in a line at a Pizza Hut or a Hardee's, Saudis have almost no way of knowing the Americans are even here.

After a polite pause for U.S. troop withdrawals to begin, the kingdom resumed carrying out public executions in accordance with Islamic law. About 20 people were beheaded over a span of two weeks in the spring — the backlog of cases deferred from when Americans were obsessive Saudi-watchers.

The change in state of mind includes a new restlessness. People have been emboldened to admit their impatience for change, an impatience that always lay just beneath the surface.

"We have some complaints," said Abdullah Kabbab, a professor of political science, "but we're not seeking a revolution. People are looking for the government to act."

Often, the debate over the pace and nature of reform is acted out in public. The rules of behaviour for women are usually the subject, and the debate has been heating up. In Dhahran, women complain that the mutawin, the much-feared religious police, are extending their vigilance to

women in cars. Cars have been stopped and female passengers admonished for failing to keep their faces covered while servants are at the wheel.

Mageeda, for example, has abandoned wearing her usual anklelength skirts and a scarf around her neck for shopping trips. For the first time as an adult, she has given in to wearing a veil and abaya, a traditional black cloak. As her invisible sign of rebellion, she wears shorts underneath.

"In Al Khobar, a shopping district outside Dhahran, Saudis talk of an encounter that began when a mutawa saw a woman smoking in a parking lot. As is standard practice, he rapped her leg with a stick. Then the unthinkable happened. The woman slapped the mutawa."

In Al Khobar, a shopping district outside Dhahran, Saudis talk of an encounter that began when a mutawa saw a woman smoking in a parking lot. As is standard practice, he rapped her leg with stick. Then the unthinkable happened. The woman slapped the mutawa.

What is unclear is whether the incident actually occurred, or whether the Saudis describing it are narrating a fantasy they wish were true. A woman striking back at what threatens her would be, for some, a dream come true.

The argument over how a woman should behave is politics. In a kingdom without political parties or elections, there have been few outlets for people to test their beliefs.

But that is being changed by a proliferation of audio cassettes and, more recently, fax

machines. The ultrareligious were among the first to appreciate the possibilities.

When U.S. forces began arriving, cassettes exhorted Saudis to limit their contact with non-Muslims. Within a few months, shops began a semi-clandestine trade in tapes condemning the government for allegedly un-Islamic practices. In a few instances, tapes called for the government's overthrow.

Thanks to faxes, Saudis for the first time could obtain magazine and newspaper articles from abroad, without the scrutiny of authorities who dutifully censor anything considered remotely critical of the regime or of Islam.

By the end of the war, fax machines were turning out a blizzard of petitions with lists of demands addressed to the government.

Most of the petitions have come from the religious. Their demands are generally that the government subject itself to a stricter interpretation of the laws of Islam, such as the prohibition against usury. A petition signed by the chief Muslim cleric denounces the practice of Saudi banks charging interest on loans as "an assault against Allah."

Liberals present their own agenda. In letters and other forums, they ask the king somehow to rein in the mutawin. That demand embodies the desire to loosen restrictions on women and lessen the pressure for conformity.

Ominously for the government, some demands come from both sides. Both the religious and the liberals ask for a brake on official corruption, a subject that used to be virtually off-limits for discussion — Baltimore Sun.

'Hands off Arab oil'

By Eric Hall

Reuter

DUBAI, — The Gulf war sent a clear message to anyone with expansionist designs on the rich Gulf Arab states which feed Western industry with oil — keep off.

The rapid and decisive defeat of Iraq's once-feared regional army by a Western-led military alliance left the ruling families of the six Gulf Cooperation Council (GCC) states secure in the knowledge that oil is their insurance against outside attack.

One year after its invasion of Kuwait, most of Iraq's army is demoralised and in ruins with no obvious sign of recovery.

Just over the Gulf, Islamic Iran's 55 million people are impoverished by 12 years of revolutionary chaos, and war, and in no mood to do anything but save their sickly economy.

"The external threat is gone for the foreseeable future. If there are political threats, they are from domestic sources," said a senior Saudi-based Western diplomat.

But the war also left the GCC with a bill of perhaps as much as \$150 billion to pay for the war. Even for the Gulf Arab oil producers, that is a painful amount. Money had always been the Gulf states' primary political instrument, funding pan-Arab causes and poor Arab neighbours.

The Palestine Liberation Organisation, Jordan, Sudan, and Yemen due to their sympathy for Iraq during the crisis were the most obvious Arab losers of Gulf Arab aid.

The mix of greater political security but continued financial problems in the GCC states to take a much closer look at their own interests before signing any more cheques.

Saudi Arabia, which with the United States coordinated the campaign against Iraq, has

emerged most dominant. Its eight million barrels per day oil output makes it the world's biggest oil exporter.

But diplomats in Saudi Arabia, when talking about political fallout from the crisis, invariably mention that Saudi leaders are more confident since Iraq's defeat in February.

A GCC pact with Syria and Egypt for a regional peace-keeping force was one of the first casualties of the new Gulf Arab attitude, political analysts say.

Signed in Damascus just after the end of the war, the pact appeared envisaged basing Syrian and Egyptian forces on GCC soil, paid for by GCC states. But in Kuwait this month, the signatories effectively shelved the idea, leaving such a decision to individual states.

The pact is doomed, the analysts say, precisely because the GCC knows it can rely on Western protection, and is unwilling to spend money on any armed forces other than its own.

A Gulf defence official calculated the force would cost about \$8 billion.

The West's demonstrated will to protect its oil sources with military power has led to a point where even a small Western military presence can deter. "One American carrier is enough," said a Western military official.

King Fahd has ordered a big expansion in Saudi forces, most of which is expected to be airpower. A Saudi fighter pilot's success in single-handedly shooting down two Iraqi jets was a great morale booster for the Gulf Arab forces.

But the war has left GCC rulers with potentially serious domestic problems in the 1990s, the analysts say.

The Kuwaiti ruling family, now safely back in power, is already criticised by its opponents for delaying democratic reforms promised during its months of exile.

'Arafat letter did not contain final word'

(Continued from page 1)

East Jerusalem representation. The move is credible in that it is an indication of the American administration's wish to restate their declared position on the situation of East Jerusalem by Israel," one source said.

He added the fact that Mr. Bush was meeting with the same people whom Israel would veto proves the U.S. position that it

still regards East Jerusalem as part of the occupied territories. "They are saying: 'As Americans, this is our position and it is different from that of Israel,'" the source said.

On bilateral relations with the U.S., the sources confirmed that the discussions between the Jordanian leadership and U.S. Secretary of State James Baker this week also covered "the blockade of Aqaba by the allied

naval task force." "We talked of easing the blockade," said a source.

The blockade involves searching ships heading for Aqaba as part of the monitoring of the U.N.-imposed economic sanctions against Iraq.

Jordan and the U.S., according to officials, also discussed re-instituting U.S. assistance and programmes for Jordan frozen during the Gulf crisis.

Israeli cabinet backs Shamir's acceptance

(Continued from page 1)

The daily Maariv reported 10 points already have been agreed on by American and Israeli officials, including U.S. support for Israel's position on Palestinian representation.

Maariv said the United States has agreed to reaffirm a statement by President Gerald Ford that supports Israeli "security" needs in the Golan Heights but does not specifically say Israel should be allowed to keep the territory.

The document also says Israel would not have to withdraw from its self-declared "security zone" in South Lebanon unless Syria and Palestine Liberation Organisation (PLO) withdraw their armed forces from Lebanon, Maariv said.

Mr. Olmert told reporters that if the issue of land for peace was raised "I have no doubt what the government stand will be," since the government opposes occupying any occupied land. But he said this was not a reason to reject a peace conference.

The daily Haaretz quoted Palestinian sources as saying Mr. Baker promised the three Palestinians he met Friday a written U.S. obligation that U.N. Resolutions 242 and 338 would be fulfilled.

Maariv reported, meanwhile, that Egyptian President Hosni Mubarak has proposed a compromise where Israel and the Palestinians would agree to discuss only one Jerusalem issue: Muslim holy sites in the city.

Leaders of the 11,000 Israeli settlers living on the occupied Golan Heights gave ministers a letter demanding the Heights not be a subject of negotiation.

"We want peace but not at any price. To give back the Golan is the whole price," said Meir Mitzna, deputy mayor of the city of Katzrin on the Heights.

Mr. Olmert told reporters that residents of the Golan had a "legitimate concern" but he asked them to trust the government.

"I think there is no reason to doubt (the government)," Mr. Olmert said. Opinion polls show Israelis on both the left and right are unprepared to give up the strategic Heights despite Syria's willingness to enter talks on ending the 43-year-old state of war with Israel.

Mr. Baker won Syria's agreement to the peace talks in part by assuring Damascus the United States did not recognise Israel's 1981 "annexation" of the Golan and that the content of the talks would be U.N. resolutions calling on Israel to exchange land for peace.

Egypt meanwhile accused Israel of seeking to block a peace deal by continuing to settle Jews in the occupied territories.

Egyptian Foreign Minister Amr Mousa told ministers and delegates from the 45-nation Organisation of the Islamic Conference (OIC) in Istanbul Israel should not attach conditions to its acceptance of the U.S.-proposed peace talks.

"...The biggest stumbling block on

the road to peace today is the settlement policy adopted by Israel in occupied Palestinian and Arab lands including Jerusalem," Mr. Mousa said.

He also attacked Israel's "escalation of acts of repression against the Palestinians..." and its blocking of efforts for a just and peaceful solution to the Palestinian issue and the conflict in the Middle East.

In an apparent reference to Syria, Mr. Mousa welcomed Arab acceptance of a peace conference under the auspices of the United States and the Soviet Union.

"It has been made clear now to the whole world how Arab states have been made sincere in their wish to advance a peace effort in the region towards a just and lasting settlement," he said.

"No doubt Israel's approval of entering the peace process is a step on the road but such an acceptance should not be conditional. It must be understood that attending is not a matter of formality," he said.

In his speech to the OIC, Mr. Mousa also called for the dismantling of all weapons of mass destruction — nuclear, biological and chemical — and said restrictions must apply equally to all states in the region.

"It must be understood that... as Islamic and Third World countries, we will not accept in this respect operations that would give an advantage to one party at the expense of others," he said.

He was apparently referring to Arab fears that controls proposed by the United States would leave Israel's nuclear capability intact.

West Europe scrambles to stem inflow of migrants

By Stephen Nisbet
Reuter

BRUSSELS — Public opinion and sensational predictions about future migration patterns, are forcing West European governments to stem an influx of migrants from poorer countries.

In the last month Britain, France, Germany, Belgium and Switzerland have taken new steps to make immigration harder.

They aim in particular to discourage thousands of applicants for political asylum who, according to officials, invent stories about persecution in their quest to find a better life in the West.

Violence between migrants and police, with repeated rioting in France and to a lesser extent in Belgium, have propelled immigration high up the political agenda.

The worst trouble recently has been in southern France where youths, many of Algerian descent, have staged running battles with police in slum ghettos and have barricaded roads in protest at high unemployment and official harassment.

Britain is fining airlines which carry passengers without valid travel documents and is seeking ways to stem the flow of applicants for political asylum which officials say has reached 1,000 a week. Human rights groups say the figure is exaggerated.

Germany introduced new regulations making it harder for foreigners who fail to qualify for political asylum to avoid repatriation on vague humanitarian grounds.

In France, right-wing political parties accused the ruling Socialists for stealing their ideas when the government said it would step up police checks to catch illegal immigrants, expel them faster and help meet resettlement costs.

Galloping population growth along the southern and eastern Mediterranean rim and the expectations of East Europeans for a better life after the collapse of

communism are the EC's main sources of external migration pressure.

Britain's Economist magazine recently caricatured this with a picture of a battered old bus packed to the roof with passengers wearing fur caps, fezzis and Arabic head-dresses, about to crash through a frontier control post. The signs on the bus read "El Dorado — Europe or bust."

The beginnings of what are potentially large population movements from Eastern Europe have intensified political concerns in the western half of the continent.

New sources of social tension could develop when poor white Catholics from Poland compete with North African or Turkish Muslims for scarce jobs and housing at the bottom end of the social scale.

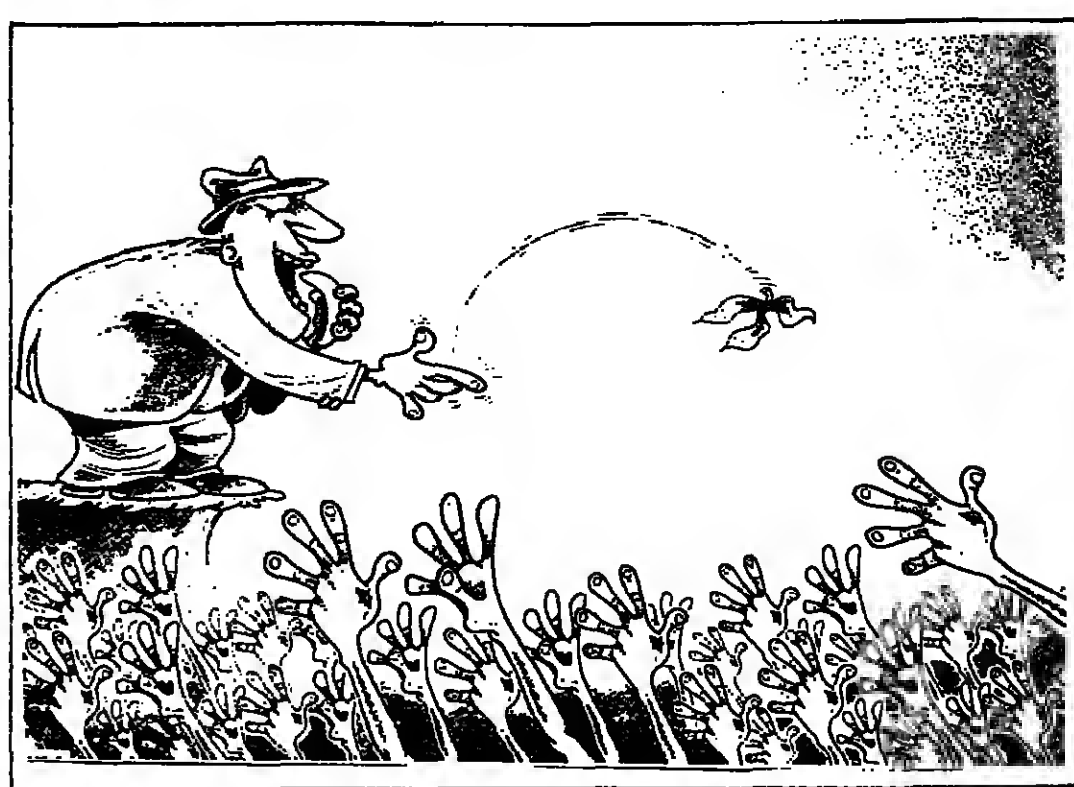
Also looming in the background is the Soviet proposal to liberalise to passport laws. Although this has been postponed, Soviet officials have raised the possibility of millions of poor migrants "from streetsweepers to professional people" arriving on the EC's doorstep.

The European Community, widely seen as heading for ever greater prosperity with its post-1992 single market, finds itself exerting a magnetic pull on the ambitious and disaffected outside its borders.

The attraction is magnified by the prospect of the EC dismantling its internal borders, making it easier for people to move around within the 12 member states once inside the bloc's external frontiers.

An external borders convention which goes some way towards harmonising EC countries' external frontier controls and visa policies is near agreement, but currently held up by an Anglo-Spanish squabble over whether it should cover Gibraltar.

A separate initiative known as the Schengen agreement, promp-



ted by the EC's six founding states in an attempt to abolish internal land border controls, is still unratified. A police computer vital to it will not be ready until November next year.

There have always been some Europeans hostile to immigration who seize on any criminal or anti-social behaviour by migrants as proof that they are unwilling or unable to integrate into the host society.

But latest EC statistics show a hardening of public opinion suggesting that the desire to put immigration on the political agenda goes well beyond fringe groups such as France's National Front.

A survey conducted earlier this year for the EC statistical organisation Eurostat showed an increase in every community country in the proportion of respondents who wanted to see new restrictions on migrant rights.

At the same time, and feeding

the traditional fears of the far right, Eurostat figures show EC population growth is now due more to immigration than to natural increase.

The change occurred in 1989, the year the Berlin Wall was opened, and continued last year, when net migration from outside the EC accounted for 992,000 of the 1.6 million increase in the bloc's population.

The statistics for both years are based on present EC frontiers (i.e. including the former East Germany) and take no account of illegal migrants, the numbers of which can only be guessed at.

A Eurostat official said the change in the make-up of EC population growth was due to a continuing fall in EC fertility and an influx of ethnic Germans from Eastern Europe to the reunified fatherland.

The official said the latter influx could not go on indefinitely

because the supply of ethnic Germans elsewhere was finite.

However, many Germans have no such conviction about the flood of people from East Europe and the Third World who try to take advantage of the country's liberal asylum laws. A record 193,000 people applied last year, 60 per cent up on 1989.

Among EC states, Germany is most vulnerable to migration pressure from the east should the Oder-Neisse line on its Polish frontier become a rich/poor divide for Europe as dramatic as the Rio Grande between the United States and Mexico.

Eurostat found that German hostility to East Europeans seeking work (26 per cent of Germans thought they should not be accepted) slightly exceeded that towards people from south of the Mediterranean. In most EC countries southerners were disliked more.

PLO: Formula will be found for attendance

(Continued from page 1)

Palestinian state, no to representations from Jerusalem, no to a resolution of the status of Jerusalem.

"Peace is impossible without the Palestinians," Mr. Arafat said.

"I hold my hand out to the Israelis. It's up to them now to extend theirs to truly make peace."

Egypt has urged the PLO not to let formalities block Palestinian participation in a Middle East peace conference, Egyptian officials said.

Egyptian Foreign Minister Amr Mousa met Farouk Kaddoumi, the PLO's foreign affairs chief, for more than an hour on Saturday evening on the sidelines of an Islamic conference which opened in Istanbul Sunday.

Egyptian-PLO talks have been rare since the Gulf crisis.

The Egyptian officials said Mr. Mousa urged the PLO to say "yes" to the peace conference.

"He (Mr. Mousa) urged him not to stick to formalities..." one official said.

"The Egyptian minister explained to him how important it was all to take part in the process and how time was running against Arab interests," the official said.

Syria says most of its troops would leave at Beirut's request

BEIRUT (R) — Damascus would withdraw its troops from most of Lebanon's minute Beirut asks it to do so, Syrian Information Minister Mohammad Salman said.

"When the Lebanese army or legitimate-Lebanese institutions are able to directly shoulder the (security) responsibility and ask us to withdraw, we cannot postpone it for one second," he said in an interview with Christian-run Voice of Lebanon radio.

In the text of the interview published Sunday Mr. Salman said Syria would keep a military presence in areas stipulated in the internationally-backed Taif pact to end Lebanon's civil war.

According to the Taif agreement, Damascus should redeploy its forces to mountains in eastern Lebanon by September 1992. Lebanon and Syria should then agree how long they would stay there.

An estimated 60,000 Syrian troops are currently deployed in two-thirds of Lebanon.

They have supported the 35,000-strong Lebanese army in dismantling most of Lebanon's militias, reuniting Beirut and extending state authority over much of the country.

Israel, which holds a 15-kilometre wide self-declared "security zone" in South Lebanon, has said it would not withdraw all its troops until all other foreign forces pull out of the

country.

Mr. Salman said that some Lebanese remained beyond state authority and still in possession of many weapons despite the government's drive to disarm and disband private armies in the line with the Taif pact.

"Until now many arms are still in the hands of Lebanese who don't represent the legitimate authority in Lebanon and as long as... militias still exist, the Lebanese authority is the one that can determine if it needs Syrian forces close to its own forces," Mr. Salman said.

He said Syria was continuing its efforts to secure the release of 12 Western hostages held in Lebanon by pro-Iranian militants

Mauritania battles against Sahara dunes

By Gill Tudor
Reuter

NOUAKCHOTT — Not far from the centre of Mauritania's capital Nouakchott stands a half-built house, its abandoned rooms choked to the ceiling with the fine ochre sand.

Before completing his dream home the owner realised he was fighting a losing battle against the Sahara desert, which is invading the city and over-running Mauritania's scarce cultivable land at an average pace of 6 kilometres a year.

Experts say the impoverished country on Africa's northwestern shoulder has developed the know-how to fight back, but is tied by lack of cash.

"We can meet the challenge with the knowledge and materials we have," said Mohammad Abby, who co-ordinates Mauritania's struggle against desertification. "But the situation is grave unless we get the necessary aid."

When Nouakchott was built soon after independence from France in 1960 the nearest desert dunes were some 60 kilometres to the north, Mr. Abby said.

Now they rear up in huge curves around the outskirts. Driven by a stinging wind, sand swirls across tarred streets and billows against buildings.

The World Health Organisation estimates Nouakchott residents swallow about 750 grams of sand a year from dusty food and air. Respiratory diseases are common.

Mr. Abby said drought in the 1970s and 1980s was the final straw which unleashed rampant desertification after years of cutting vegetation to feed animals and build fires.

Removing plant cover leaves the ground exposed to erosion and causes a drop in the underground water table. Established water holes dry up, forcing people and animals to cluster round the shrinking oases that remain, and increasing pressure on resources.

With fewer trees to provide windbreaks, gusts accelerate over the huge desert expanses, picking up sand and depositing it in shifting dunes which smother still-fertile land.

Two thirds of Mauritania's one million square km are now uninhabitable apart from a few precarious oases. The rest of the land, desert-like to the untutored eye, can still be farmed but is vanishing all the time.

Mostly nomadic by tradition, Mauritania's people are being driven to the capital and other towns to settle in squalid slums without water, sanitation, schools or

medical care.

"We couldn't do anything. There was no rain and no grass. It was the end," said Moukka Bint Ibrahim, sitting in a rented concrete room in the endless shantytowns outside Nouakchott.

She said she arrived a year ago with her husband and four children when the land in the village where they settled would no longer support their handful of sheep, goats and camels.

The animals were sold or

eaten. Now her husband scratches a living sifting sand to collect seashells for use in cement.

The United Nations Children's Fund (UNICEF) says only 22 per cent of Mauritania's were living as nomads in 1985, compared with more than 80 per cent in 1963.

"The desert is eating away not only at the usable land but at traditions too," said UNICEF officer Imam Ould Ely. "The whole nomad civilisation is disappearing."

A green belt programme has fought since 1975 to hold off the tide of sand threatening Nouakchott. Mr. Abby said similar projects were under way to protect other settlements, in the hope of slowing the human influx to the capital.

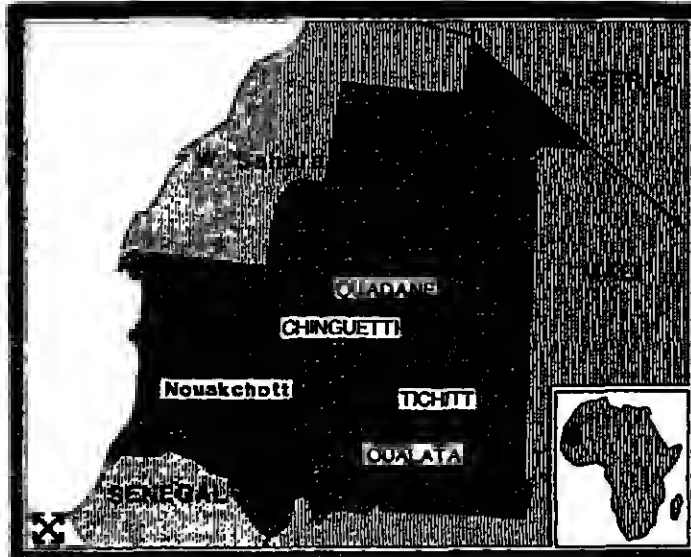
The main technique consists of fencing round shifting dunes with carefully-designed brushwood palisades, extending the barrier upwards to contain the mounting sand until the ground stabilises inside the bounded area.

Then fast-growing, drought-resistant trees are planted, fixing the newly-trapped sand with their roots and renewing vital plant cover. No maintenance is needed except for initial watering and before long natural vegetation starts to move in.

The results look impressive. One road was completely clear of sand between two fixed dunes but disappeared under swirling drifts a little further on.

Trees planted a few years ago are flourishing and the ground around them is dotted with other desert plants.

"You need faith when you see the immensity of the dunes," Mr. Abby said. "But we're better armed than we were 10 years ago and people are more aware of the importance of trees."



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PALM PIANO ENTERTAINMENT

Morceli beats Aouita in Monaco 1,500m race

MONACO (Agencies) — Nour-edine Morceli of Algeria bested a banner field in the 1,500 metres at the Herculis Grand Prix athletics meet.

Morceli, the world's top middle distance runner last year, won in 3 minutes 32.04 seconds. Five-time world recordholder Said Aouita of Morocco, coming back from two calf operations, was second in 3:33.28.

Morceli and Aouita raced together in the final lap before the Algerian moved away in the home straightaway.

The field included mile world recordholder, Steve Cram of Britain (fourth in 3:34.96), 1988 Olympic champion, Pete Rono of Kenya (fifth in 3:35.27) and 1987 world champion, Abdi Bile of Somalia (eighth in 3:36.33).

On a warm evening near the Mediterranean, the meeting produced a number of high quality marks.

Former world recordholder Renaldo Nehemiah of the United States won the 110 hurdles in 13.19. It was his best since returning to track in 1986 after a football career. He had a world re-

cord of 12.93 in 1981.

Merlene Ottey of Jamaica set a yearly best with a 21.98 in the women's 200 chased by American Danette Young, second in 22.24.

Heike Henkel set a German record in the women's high jump with a leap of 2.04 metres, best performance of the year. Ulrike Meyfarth, the 1982 and 1984 Olympic champion, set the old mark of 2.03 for then West Germany.

Another national record was set when Sally Gunnell set a British mark in the women's 400 hurdles with a 53.78 time.

Samuel Mateete of Zambia upset American Danny Harris in the men's 400 hurdles with a 47.87 performance. Harris was second with 48.41.

Carl Lewis anchored the Santa Monica Track Club Saturday to a share of the world 4x100 metres relay record the American team have been chasing for the past two years.

The quartet of Mike Marsh, world 100 metres record holder Leroy Burrell, Floyd Heard and Olympic 100 champion Lewis

equalled the record of 37.79 set by France at last year's European Championships in Split, Yugoslavia.

Saturday's race at the Monaco Grand Prix had been billed as a match between France and the Santa Monica team.

That contest quickly became a non-event when the French team messed up the first baton change and did not even complete the race.

But their disappointment was quickly forgotten in the euphoria surrounding the Santa Monica win with spectators swarming on to the track and surrounding the exuberant Americans.

"We're really excited," Lewis said. "I don't know the last time a club held a world record."

Lewis anchored the U.S. team to world records at the 1983 World Championships and the Olympic Games in the following year.

Last year Santa Monica made several vain attempts to better the Los Angeles mark of 37.83 only to see France unexpectedly snatch the record in Split.

Marseille go top with away win

PARIS (R) — Champions Marseille, fired by goals from marksmen Abedi Pele and Jean-Pierre Papin, went top of the French Soccer League with a 2-1 victory at Rennes.

But Marseille may lead for only 24 hours because Monaco, runners-up last season, are just one point behind and play at Cannes Sunday.

Ghanaian Pele thrust Marseille ahead after 34 minutes before Papin made it 2-0 with 15 minutes to go. Brazilian Baltazar scored for Rennes six minutes later.

England international Chris Waddle, who had been given a defensive role in the French champions' last two matches by new trainer Tomislav Ivic, was restored to the attack alongside Pele and Papin.

Auxerre lost 1-0 at Caen to drop from second to sixth place. France's Stephane Paille, who joined Caen after a disappointing season with Portuguese side Porto, headed the winner in the 37th minute.

Metz impressed by crushing Toulouse 4-0 to jump to third place, one point behind Marseille.

Le Havre, who managed a 1-1 draw at Paris St Germain, and Caen also have six points after four matches.

"This is our best match so far," said a delighted Ivic. "All the players gave all they had."

Waddle, who showed glimpses of his old form also had a huge smile on his face after the match. "We played like last year and that's exactly what we've got to do," he said.

It was the fourth consecutive draw for Paris St Germain, who have a solid defence after signing Brazilians Ricardo and Geraldao.

Paris St Germain chairman Bernard Brochand, who bought eight new players to contest Marseille's supremacy, said he was unhappy with his team's sequence of draws.

"There obviously is a physical problem because the players get tired after one hour. It could be due to training," he added, in apparent criticism of Portuguese trainer Arthur Jorge, who joined from Porto.

Meanwhile Marseille boss Bernard Tapie has sprung to the defence of Waddle after reports that the English star is unhappy in a new defensive role.

"There is nothing wrong with him," Tapie told local daily Le Provençal. "It's just that he always finds it difficult to start the season and he doesn't like the heat."

"Waddle is not a robot, but you will see that before the end of the month he will be at his best."

Club chairman Tapie was reacting to media reports saying Waddle could not handle the defensive role given him by Ivic and found it more and more difficult to cope with the pressures of playing for Marseille.

Waddle said Wednesday he was ready to leave the French champions if they no longer wanted him.



Maher Hantash, Al Ahli defender, heads a ball against Al Wahdat. (photo by Abdallah Ayoub)

PREMIER LEAGUE ROUNDUP

By Ahmad Ismail
Special to the Jordan Times

AMMAN — A thrilling hat-trick from Jihad Abdul Munem raised the goal tally of Al Wahdat and kept them at the top of the Premier League after their impressive 3-0 win over Al Ramtha at Irbid Stadium.

Al Wahdat went straight into the attack from the start, needing to strengthen top position. A goal mouth scramble from a cross by Rathi Al Hasanat in the 8th minute led to the opening goal for Al Wahdat as Jihad Abdul Munem put the ball in to ensure his lead over the league's top scorers with ten goals.

Al Ramtha received another shock when Jihad Abdul Munem scored in the 52nd minute. Twenty minutes later, Jihad scored the third goal. Thus Al Wahdat kept the top sport with 14 points.

Al Ramtha stayed second after the 7th stage of the Premier League games thanks to their superior goal difference over Al Faisali who ranked third with equal points.

Al Faisali the title holders, scored a convincing 3-0 win over Al Hussein in Amman Friday. They played surprisingly well, and had everything under control.

There were good attacking moves by both sides in the first half. Al Faisali sought to

avenge their loss to Al Ramtha in the 6th stage looked more dangerous, but there were very few real scoring chances. Jamal Abu Abid put them in the lead in the 27th minute. Ten minutes later, Firas Al Khalaleh converted from a pass by his team-mate Sabit Sulaiman to score the second goal for Al Faisali who continued their domination in the second half and mounted repeated attacks on Al Hussein's goal. Khalid Awad headed in a corner in the 54th minute to rekindle Al Faisali's chance to stay in the third place with ten points. Al Ahli raised its tally to nine points after the 2-0 win over Al Arabi.

Al Ahli took the initiative in an energetic first half although scoring chances were about even. Nart Yadi put them in the lead in the 58th minute, and Walid Fatafa tested Al Arah's goalkeeper with hard shots before Amir Muli's angled shot in the 88th minute which made it 2-0 for Al Ahli.

Luck run out this time for Al Jeel who lost 2-1 to Al Qadisiya, Ahmad Al Sharaf scored twice for Al Qadisiya as Ali Atallah netted Al Jeel's goal in the second half.

Al Karmel beat Al Jazireh 3-2. But teams relied on long passes down the centre of the field. But Al Karmel played surprisingly well in the last ten minutes when they scored twice to make it 3-2.

U.S. basketball team gets off with a smashing start

HAVANA (AP) — Under the glowing gaze of revolutionary hero Che Guevara, America's backboard-hustling basketball team got off to a smashing start against Cuba in the Pan American Games.

Thomas Hill, the smallest of three players from NCAA champion Duke, sent glass flying Saturday with his double-pump reverse dunk in warmups, a demolition job that brought roars of delight from the 15,000 fans packing the sports city Coliseum.

But it was easier to dispose of the backboard than the quick Cuban team, which led most of the first half and cut a 14-point second-half deficit to two with 10 seconds left before falling 92-88.

The U.S. women's team didn't break anything more than the spirits of the Canadian team in posting an 87-70 victory to begin a quest for a third straight Pan Am gold medal. It was the 42nd straight international victory for the women's team.

Seles, Capriati to meet in Mazda Classic final

CARLSBAD, California (AP) — Top-ranked Monica Seles advanced to the championship of the Mazda Classic with a 6-1, 6-2 victory over sixth-seeded Nathalie Tauziat.

The final will match Seles against Jennifer Capriati, who earlier surged past second-seeded Conchita Martinez 6-4, 6-0 by winning the last nine games.

Seles, playing in her first event since bypassing Wimbledon because of a sore leg, needs to win this tournament to keep the No. 1 ranking that she has held since March 11.

The 17-year-old Yugoslav relied on a steady ground strokes against Tauziat, ranked 14th, of France, in reaching a tournament final for the 13th consecutive time since Oct., 1990.

Seles has won four titles in eight tries this year, including her last one on June 8 at the French Open.

The final will be a re-match between players who last met two weeks ago at an exhibition in

Mahwah, New Jersey, where Capriati won 6-3, 7-5.

"I learned from that match, no question," Seles said. "Jennifer has been playing great. I just have to play more of my game, to go for my shots. That's the key."

Capriati, ranked 10th in the world, said she hopes to build on what she did in their previous meeting.

"It gave me more confidence," she said. "If I did it there, why not again?"

In the first set of her semifinal, Seles made only three unforced errors while the players stayed mostly to the baseline.

Tauziat broke service for the only time to open the second set and jumped to a 4-0 lead in the next game, but Seles rebounded for the victory to start a streak of four straight winning games.

"She can hit great shots but also miss other ones," Seles said. "I think I played well. I didn't want to let her get back in the match. I wanted to finish her off."

Hansa Rostock makes good start in Bundesliga

BONN (R) — Former East German champions Hansa Rostock, aiming just to survive their first year in the united German Bundesliga, began the new season in perfect style with a 4-0 home victory over Nuremberg Saturday.

Hansa, weakened by a major exodus of their top stars to the west since unification, admit they would be happy simply to avoid relegation in the first all-German championships since 1944.

But two goals from striker Florian Weichert in the 28th and 51st minutes, a 53rd-minute strike from forward Roman Sedlacek and a last-minute penalty from midfielder Michael Spies secured the northern port club a confidence-boosting two points.

Dynamo Dresden, the second former East German side to join the Bundesliga, did not fare so well.

In the top clash of the day, Bayern Munich, last year's runners-up, shared a point with Werder Bremen in a 1-1 draw in Bremen. Both teams are expected to be leading championship contenders.

"We presented ourselves as a team today and it was a good start," Hansa coach Uwe Reinders said.

"The crucial thing was that we did not settle on our half-time lead but tried to score more," said the former west German international, one of the few leading west German personalities to move east since the fall of the Berlin Wall.

Gilbert upsets Edberg to join Sampras in final

LOS ANGELES (R) — Fourth seed Brad Gilbert battled Stefan Edberg for nearly three hours before upsetting the top seed to reach the final of the \$225,000 Volvo of Los Angeles Tennis Tournament.

In Sunday's final Gilbert will take on second-seeded fellow American Pete Sampras, who served his way past unseeded Italian Stefano Pescosolido 6-3 6-1.

The ninth-ranked Sampras served eight aces and controlled what few important points there were by attacking the net behind his forehand and forcing the 80th-ranked Pescosolido to take chances on his passing shots.

"I played well really tonight," said the U.S. Open champion. "I have a lot of confidence in my backcourt game which allowed me to work my way to the net when I needed to."

Gilbert appeared on the verge of a straight set victory, but was

forced to go the distance in the dramatic semifinal before prevailing 7-6 6-7 6-4.

Gilbert held a match point in the 10th game of the second set, but Edberg saved it with a sizzling forehand winner and forced the second tiebreak which he dominated 7-1 to send the match into the third set.

The second-ranked Swede turned back two more match points in the final game of the third set before Gilbert finally closed out the match on a brilliant forehand passing shot.

Gilbert, ranked 19th in the world, called the victory an important one for him.

"I haven't reached a final in eight months," he said. Edberg said he was hampered by a recurring case of tendonitis in his left knee, which limited his mobility.

"I thought about stopping in the second set, but it got better. It was quite painful," Edberg said.

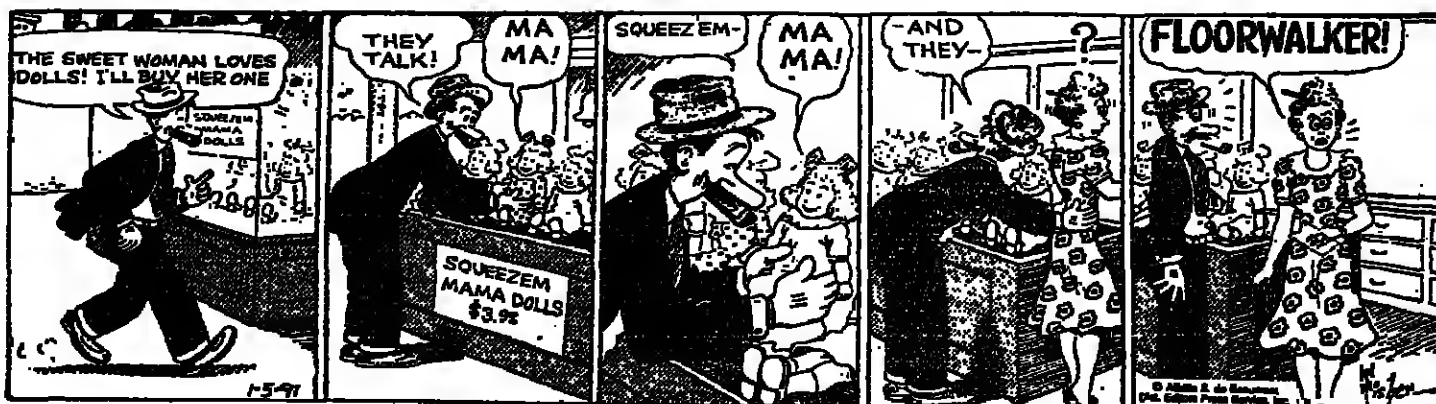
Peanuts



Andy Capp



Mutt'n'Jeff



HOROSCOPE

FORECAST FOR MONDAY AUGUST 5, 1991

By Thomas S. Pierson, Astrologer, Carroll Righter Foundation

GENERAL TENDENCIES: You have many ideas today and it would be wise to concentrate upon putting them in motion more in line with your current progress while avoiding that tendency to be suspicious of one who has a higher worldly place.

ARIES: (March 21 to April 19) You have every kind of need now to find out what work is expected of you, just what you will get from a monetary reward for the future.

TAURUS: (April 20 to May 20) Take sometime out during coffee or other breaks to bring your charm to the front so that you will have a far better personality to others.

GEMINI: (May 21 to June 21) Now you are able to do whatever will bring you the good will of all who are particularly prominent in the spheres of activity that you seek.

MOON CHILDREN: (June 22 to July 21) Whatever is essential to you if are to make those new arrangements can now bring you the chance to expand in a way to increase your wisdom.

LEO: (July 22 to August 21) Make a point now to show what you have promised or are expected to do and pitch in and achieve the right results without further delay.

VIRGO: (August 22 to September 22) This is the time to study whatever outlets can bring you the

many agreements with others that can make you feel you have the right allies.

LIBRA: (September 23 to October 22) You have many projects to do and the sooner you get at your chores in harmonious accord with others, the sooner you will be able to get away.

SCORPIO: (October 23 to November 21) You have some highly delightful pleasures possible now if you get out of that rut of being annoyed with one who has been a nuisance and be happy.

SAGITTARIUS: (November 22 to December 21) Now you find that there are many unusual conditions that can be happening at your residence and they require a considerable amount of your time.

CAPRICORN: (December 22 to January 20) You certainly have a new approach at how you can have important usual interest that requires much thought and conferring with day by day allies.

AQUARIUS: (January 21 to February 19) Your home requires much of your thought and attention and by giving it this you find you have all kinds of improved relations at your home.

PISCES: (February 20 to March 20) Now you have the chance to put into motion some highly effective plan that can bring you the backing of those who assist you at routine activities.

Your birth stone is not only beautiful on you, but also good for you.

World Resources - Dargis & Co. Inc. Jewelers - Gems

THE BETTER HALF By Barnes



"Bills, bills, bills! I'll remember this when it comes time for your Christmas tip."

JUMBLE THAT SCRAMBLED WORD GAME

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

IKKAH

LAUDT

YENTW

STICMY

Answer here: THE WAS THE

Yesterday's Jumbles: EIGHT LIMIT HEAVEN ADRIFT

Answer: The best way to stop the noise in the back of your car—LET HIM DRIVE

THE Daily Crossword by Charles Greenin



Yesterday's Puzzle Solved:

1. Head man
2. USA word: abbr.
3. Overseas mail
4. Conjunction
5. Heavily
6. Mex. food
7. Alan
8. Moselle
9. Office supply
10. What holds a circus together?
11. Ship's land once
12. Routines
13. Piled a float
14. Thrill
15. End
16. Star in Cygnus
17. Ward (off)
18. Manner
19. Low card
20. Cornic. Jay and
21. Tin plate
22. Sea eagle
23. Tending to eat
24. Fly
25. Philosophical system of 23A
26. Der
27. Tches. gp.
28. Squander
29. Rounded NW
30. off one's
31. Chin. dynasty
32. Slander
33. Disfigure
34. Artist's sketch
35. New

GOREN BRIDGE

WITH OMAR SHARIF
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WASTE NOT, WANT NOT

Both vulnerable. South deals.

NORTH

A 9 7 6 2

J 8 7 3

7 3

A 4

WEST

J 8

6 5

K Q J 8

K 10 8 5 3

J 9 6 2

SOUTH

K 5 3

A K Q 10 2

6 5 7

Q 4

The bidding:

South West North East

1 Pass 3 Pass

4 Pass

Opening lead: King of

Don't presume that an opponent has suddenly turned the other cheek and become a Good Samaritan, ready to lend a helping hand. Both opponents are your enemies and will try to defeat you if they can.

North-South were playing limit raises—a jump raise of opener's suit showed four-card support and 10-12 points. Once South's opening bid confirmed a major-suit fit in hearts existed, there was no point to North introducing the spade suit.

West led the king of diamonds and, in response to his partner's encouraging signal, continued with the jack. East won with the ace and shifted to a low club. Declarer saw

no reason not to try to win the trick with the queen, and West's king forced the ace. In due course declarer had to lose a trick in each black suit for down one.

Going up with the queen of clubs was naive. If East held the king of clubs, that defender would have allowed West to win the second trick, and then shift. Therefore, declarer should assume East is not leading away from the monarch. In that case, the queen of clubs could be put to good use later.

Since the only way to avoid a spade loser was via an endplay, declarer had to hope West held the king of clubs and only two spades. Declarer should have followed low from hand, won the ace of clubs, drawn trumps and cashed the ace and king of spades. After ruffing a diamond to remove the defenders' safe exit cards, declarer should then have led a club to the queen and hoped for a minor miracle.

As the cards lie, West has to win the club and concede a ruff-and-shift, which allows declarer to get rid of his spade loser. Wouldn't that also be the case had South squandered his queen of clubs at trick three?

No. The defenders could arrange their plays in clubs to let the defender with the third spade win the second club. That defender would then be able to cash the spade for the setting trick.

Financial Markets
Jordan Times
In co-operation with
Cairo Amman Bank

Foreign Exchange Market Summary (July 29-August 2, 1991)

In a similar performance to the previous week, the dollar rallied Monday, Tuesday, and again Thursday, influenced by a combination of technical factors, a weak yen and revised optimistic expectations of healthy U.S. economic indicators to be released later in the week, encouraged by unexpectedly positive June New Home Sales figures Tuesday. The U.S. currency ended the week slightly weaker than the previous week, however, as an anticipated sharp fall in non-farm payrolls triggered several waves of long position liquidation Friday.

The dollar rallied Monday in Tokyo after a financial daily published the names of 200 investment clients, including top Japanese firms and public authorities, who had received illegal compensation from four major securities houses. Having failed to breach resistance at 1.7540 marks, the U.S. currency declined later in New York, to end below Tokyo's closing rates.

The release of June's New Home Sales figures to the U.S., to reveal an unexpected rise of 7.4 per cent, took the dollar to higher closing levels Tuesday against all major currencies. It closed at its highest level of the week against the yen at 157.96 yen to the dollar. The healthy figures encouraged expectations of similarly strong economic data due Thursday and Friday, thus accounting for a wave of short covering on the U.S. currency. Traders nevertheless refrained from adopting substantial long dollar positions until those figures were released.

Wednesday witnessed a drop in dollar rates after remarks from the Bundesbank president, which were perceived by traders to signal a potential discount rate hike of one per cent rather than a modest rise of 0.5 per cent. The release of July's factory orders further added to the U.S. currency's decline during New York trading, as the data revealed a bigger than expected drop, thus taking the dollar to a low of 1.7380 marks before rebounding. Yet despite the decline, trading remained thin as dealers awaited July's purchasing management data due Thursday and June's non-farm payroll data due Friday, to which they attached greater significance.

Thursday took the dollar to its highest levels of the week against European currencies, closing in New York at 1.7570 marks to the dollar and 1.6740 dollars to the sterling pound. The rise came after the release of better than expected purchasing management numbers and weekly jobless claims. The figures boosted expectations for the following day's figures, causing many to adjust their expectations for the non-farm payrolls upwards, and tempting many traders to adopt long dollar positions.

After rising as high as 1.7665 marks in Europe, the dollar witnessed a sharp relapse, which started in late European/early New York trading Friday. The decline came after the release of June's non-farm payrolls, which declined by 51,000, shocking a market expecting a rise ranging between 70,000 and 150,000. Observers maintained that the negative data reflected market fears over the strength of the U.S. economic recovery and underscored the possibility of a double dip recession before an eventual rebound. Notwithstanding, July's employment data disclosed a decline in unemployment to 6.8 per cent, compared to seven per cent in June. This decline was attributed to a drop in the work force rather than to job gains.

As for this week, expectations are for a potentially weak U.S. currency, in view of an increased possibility of a discount rate cut by the Fed. Some observers maintained that the dollar could decline to 1.73 marks, which if breached could take it as low as 1.68 marks and 1.72 dollars to the pound sterling. These expectations are predicated on the existing 3.25 per cent interest yield gap between the dollar and the mark, which will widen even further should the Fed cut interest rates and/or the Bundesbank raise its discount rate.

New York Closing Rates for Major Currencies Against the U.S. Dollar

Currency	26/7/91	2/8/1991	Percent Change
Sterling Pound	1.6820	1.6695	0.43%
Deutsche Mark	1.7440	1.7405	0.20%
Swiss Franc	1.5227	1.5135	0.60%
French Franc	5.9340	5.9195	0.24%
Japanese Yen	157.60	157.20	0.25%

450 Per \$111

Inter-Currency Interest Rates

Currency	26/7/1991	2/8/1991
U.S. Dollar	5.87	6.50
Sterling Pound	11.12	10.75
Deutsche Mark	8.81	9.45
Swiss Franc	7.62	7.68
French Franc	9.40	9.37
Japanese Yen	7.37	6.96

Interbank bid rates for amounts exceeding U.S. Dollars 1,000,000 or equivalent

Central Bank of Jordan Exchange Rate Bulletin

Currency	Bid	Offer
U.S. Dollar	.681	.689
Sterling Pound	1.1394	1.1656
Deutsche Mark	.3941	.3960
Swiss Franc	.4537	.4560
French Franc	.1159	.1165
Japanese Yen	.5992	.5027
Dutch Guilder	.3397	.3514
Swedish Krona	.1086	.1091
Italian Lira	.0528	.0531
Belgian Franc	.1915	.1925

2 Per 100

Japan's current account surplus widens to \$29b

TOKYO (R) — Japan seemed headed for greater friction with its major trading partners after trade statistics showed its huge balance of payments surplus surged to even greater heights in June.

"This is a recipe for trade tension," said Russell Jones, economist at UBS Phillips and Drew International Ltd. "People are going to start to get angry."

Stagnant imports helped Japan's current account surplus — the broadest measure of trade in goods and services — widen to \$6.63 billion in June from a downward revised \$4.53 billion in June 1990, the finance ministry has said.

During the first six months of this year, the unadjusted current account surplus widened by 43.2 per cent to \$28.93 billion from the same period a year earlier.

An official at the finance ministry played down the first half numbers, saying that a long-term trend toward a narrower surplus was still intact.

But private economists roundly disagreed. "Official protestations that the surplus will do anything but expand are getting laughable," said Mr. Jones.

Economists said they expected the current account to climb even further. A slight improvement in the U.S. economy was expected to help boost exports by October or September, fueling a further widening.

"We will see the current account continuing to expand at least through the early part of next year," said Kazuko Mizuno,

Turkish syndicated loan activity seen picking up

ISTANBUL (R) — Turkish activity on the syndicated loan market will pick up after the treasury completes an aggressively priced medium-term debt seen as a new benchmark for further borrowings, bankers said.

"The Turkish borrowing market is coming back to its pre-Gulf crisis state," said John Ong, U.S. Bankers Trust representative in Turkey. "And the treasury's deal will be a new benchmark."

Sumitomo Bank and Mitsubishi Bank have been mandated to joint-lead the three-year, \$200 million syndicate which is expected to be completed by Aug. 8.

"The treasury deal will be an important test of appetite for medium-term Turkish loans," said Yukiharu Fujimoto, Sumitomo Bank representative in Turkey. "I expect many other private Turkish borrowers to come to the market this year."

The syndication is the first by the treasury since Iraq's invasion of Kuwait last year which caused foreign financiers to shun Turkish risk. But its pricing is aggressive with a margin at 90 basis points over London Inter Bank Offered Rate (LIBOR).

"It's a very tight pricing," said Isak Antika, general manager of U.S. Chase Manhattan Bank's Istanbul branch.

"The treasury is playing the game very cleverly," he added. "All-in-cost of the loan is LIBOR plus 120 basis points to the treasury and about 110 basis points to underwriters Banque Nationale de Paris, Nippon Credit, Tokai and Commerzbank."

Prisings on one-year Turkish loans currently range from a low of around 90 basis points to 150 over LIBOR, still above their pre-Gulf crisis levels of below 90 basis points.

Queuing up for foreign cash are several state firms, which need treasury approval before tapping the markets since the recent introduction of new regulations to curb short-term debt. In September, state-run sugar

economist at Baring Securities (Japan) Ltd.

Indeed, growth in the surplus with the United States, Japan's most vocal trade critic, was likely to start speeding up by early next year after a slowdown in recent months.

In addition, the import figures could continue to weaken in coming months because high oil prices a year ago inflated overall import values, making this year's totals look small.

Within the overall current account, the surplus in merchandise trade climbed to \$9.28 billion from \$7.02 billion a year earlier.

Exports rose to \$24.77 billion from \$23.13 billion, while imports dropped slightly to \$15.49 billion from \$16.11 billion.

Exports are being driven higher by strong demand in Europe and Asia for Japanese consumer goods and heavy equipment respectively.

Moreover, the value of exports has received a boost from the yen's gains against the dollar. A higher Japanese currency inflates the value of exports when they are valued in dollars.

The ministry of finance official contended the effect of the stronger yen would eventually fade, helping to narrow the surplus.

Imports, the other side of the trade equation, were hit by Japan's slowing economic growth and a sharp decline in gold imports. Gold imports were especially strong a year ago on buying from Japanese securities companies. That helped make this year's overall import figure look weak in comparison.

World lending agencies worry about impact of military costs

WASHINGTON (R) — International lending agencies are putting pressure on countries to rein in military spending, arguing that the burden of maintaining war machines is holding back economic reforms and hurting development.

In the past the Washington-based International Monetary Fund (IMF) and World Bank — the world's two leading lending agencies — have kept well away from the issue, arguing that national security was a political minefield to be avoided when discussing loans.

But the end of the cold war and accumulating evidence linking deteriorating economies to military costs have triggered a change in the minds of senior officials at both institutions — and it is beginning to show in some policies.

World Bank President Barber Conable, who leaves the lending agency in September has pressed the issue of military spending for the past few years and IMF Managing Director Michel Camdessus joined him.

Both are concerned that global problems ranging through a debt repayment crisis in Latin America, profound poverty in Africa and revolution in eastern Europe

might overwhelm the supply of money for spending on solutions.

"We are not hitting countries over the head," said one monetary source, "we're just laying out the trade-offs and leaving it to them."

But now the policy looks to be deepening. The IMF is considering the idea of guidelines for reducing "unproductive expenditures," the source said. "One of the most blatantly unproductive expenditures is military expenditures."

The World Bank's latest World Development Report shows the countries of the world spend \$1 trillion on the military every year. The report says the impact of any war — expensive in itself — is felt well after hostilities end, undermining economic growth for years.

Kuwait a year after the Iraqi invasion is a perfect example. Despite vast wealth, its economy is still only wriggling back to vitality as oil wells continue to burn, officials note.

In the late 1980s, the most recent period for which figures are available, military spending was \$860 billion in high-income countries and developing nations spend \$170 billion, \$38 billion of



Barber Conable

it on arms imports, most from industrial countries.

"Aid and finance agencies are entitled to ask whether it makes sense to help governments whose first priority is not to develop but add to their military strength," the report said.

The decision to adopt a tougher posture comes just as the Soviet Union, a military superpower, has applied to join the two lending agencies.

Economists believe many of

the Soviet Union's economic problems can be traced to its huge military commitments which leave little money for modernising the country's industry.

Last month Mr. Camdessus told a group of businessmen and economists there might be movement towards a new formal policy to control unproductive costs.

"When faced with tremendous problems, namely to find resources for financing all this piling up of new needs for investment, we have to intensify our efforts to help countries — to induce countries — to cut non-productive spending wherever it is," he said.

But officials do not think the bank and fund will go as far as telling countries that unless they cut spending by a specific amount they face dramatic cuts in aid.

This is the so-called "conditionality" muscle the two lending agencies use to persuade countries to make the kind of reforms they believe necessary to reach economic health.

What is clear is that the agencies are bolstering their policy to reduce spending on tanks, guns and soldiers, and convince countries to move in more peaceful paths.

Kuwait's main commercial port reopens

KUWAIT (R) — Kuwait's main commercial port of Shuwaik has reopened to international shipping, just over a year after Iraq's invasion forced its closure.

The UAE-flagged Pearl of Dubai, carrying 19,000 tonnes of wheat from Saudi Arabia, docked at the port Saturday Iraq invaded Kuwait on Aug. 2 last year.

Abdul Rahman Al Nibari, managing director of Kuwait's ports, said Shuwaik was capable of handling ships carrying cargoes of up to 25,000 tonnes.

The last ship to visit the port — also belonging to the United Arab Emirates — docked at Shuwaik on July 29, 1990.

Mr. Nibari told Reuters the authorities had cleared all war debris from the port following the emirate's liberation on Feb. 28.

Kuwait's second port of Shuaiba has been operating since March.

Survey shows real estate markets improving in much of U.S.

WASHINGTON (AP) — Real estate markets improved across much of the country over the past three months, but signs of a downturn are emerging on the west coast, according to a survey of regulators.

The mid-July poll of nearly 500 real estate experts in Federal Deposit Insurance Corp. (FDIC) field offices showed improved conditions, compared with a similar survey in April, in all areas except the west, where residential markets held steady and commercial markets showed a slight decline.

"It says things look a little better (nationally) but they still don't look very good," FDIC Chairman L. William Seidman. Regionally, Mr. Seidman said the data indicate the west may be in for a slump, although at this point it does not look as severe as the downturn that earlier hit the

southwest and New England.

Markets in southern California show "considerable stress," he said, but conditions are better in the northern half of the state.

The northeast appears to have bottomed out, he said. The south, which many in the agency feared would slump, also is improving, he said.

Mr. Seidman said the survey, if it proves true, is good news from the banking system, which has been plagued by scores of failures attributed to sour real estate loans.

The FDIC chairman is predicting 400 bank failures this year and next. A sustained upturn in real estate markets likely would take at least six months to filter through to banks, but it eventually could ease the failure rate, he said.

Nevertheless, the survey does not change the FDIC's belief that it will need an increase in its taxpayer-backed borrowing authority sometime after Sept. 30, he said.

Poll results are expressed as an index from one to 100. A reading around 50 indicates a stable market. Figures below 50 indicate a declining market, while those above 50 signify improving conditions.



Youssri Mustapha

Egypt's first private money changer opens

CAIRO (R) — Economy Minister Youssri Mustapha Sunday formally opened the first private money changer to start business since Egypt freed the pound last February.

The Egyptian Exchange Company won the race among nearly 300 firms that have so far applied for money changing licences, opening its doors in a downtown Cairo tourist area Friday.

Egypt agreed to license money changers independent of central bank influence as part of a series of financial reforms prescribed by the International Monetary Fund.

Other reforms include freeing the pound and bank interest rates, eliminating multi-tiered exchange rates, introducing treasury bills and overhauling the banking system.

Mr. Mustapha told reporters at a short ceremony that the pound was strong, but he warned speculators to stay out of the market.

The pound now trades at around 3.32 to the dollar. Bankers say since the currency was freed, the central bank has asked state and private banks to avoid letting it fall too far.

As a result, foreign currency has been in short supply and customers walking into banks off the street have been refused dollars.

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Show: 3:30, 6:45, 10:30 p.m.

WISE GUYS

Show: 5:15, 8:30 p.m.

Cinema **NUOUM** Tel: 675571

To Be Opened Soon

Nabil Mashini Theatre

Show: 12:30, 3:30, 8:30, 10:30 p.m.

Cinema **PHILADELPHIA** Tel: 634144

Julia Roberts

MYSTIC PIZZA

Show: 12:30, 3:30, 6:15, 8:30, 10:30 p.m.

Cinema **RAINBOW** Tel: 625155

TOM SELLECK — IN

RUNAWAY

Show: 3:30, 6:30, 8:30 p.m.

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